



Northern Kentucky University
Board of Regents Materials

November 2, 2016

TABLE OF CONTENTS

MATERIALS

AGENDA

November 2, 2016, Meeting Agenda.....	3
---------------------------------------	---

MINUTES

September 8, 2016, Board Meeting Minutes	4-17
------------------------------------------------	------

PRESIDENTIAL REPORTS

B-1) Facilities Management Report.....	18-26
B-2) Research/Grants/Contracts Report (August 1, 2016 – September 30, 2016)	27-30
B-3) Fundraising Report (July 1, 2016 – September 30, 2016).....	31
B-4) Annual Financial Report.....	32-83

PRESIDENTIAL RECOMMENDATIONS

C-1) Academic Affairs Personnel Actions	84-116
C-2) Non-Academic Personnel Actions.....	117-122
C-3) Major Gifts Acceptance.....	123-124
C-4) Naming Recommendations.....	125-126
C-5) Faculty Emeritus Status Appointments	127-130
C-6) Terminal Degrees	131-135
C-7) Modification to Campus Master Plan.....	136-137

AGENDA
Northern Kentucky University

Regents Dinner
Tuesday, November 1, 2016 – 6:00 p.m.

6:00 p.m.

- Regents Dinner at President's Home (Ft. Thomas, KY)
-

Joint Finance and Policy Meeting
NKU, Student Union, 104 – Wednesday, November 2, 2016 – 9:00 a.m.

9:00 a.m.

A. Joint Finance and Policy Committee:

- | | |
|-------------------------------------|--------------------------|
| 1. Finance Report | (Hales, Kerdolff) |
| 2. Budget Model | (Ott Rowlands, Hales) |
| 3. Enrollment and Degree Management | (Ott Rowlands, Scranage) |
| 4. Honors College | (Ott Rowlands, Corbett) |

Board Lunch
NKU, Student Union 108 – Wednesday, November 2, 2016 – 11:30 a.m.

11:30 a.m.

Board of Regents Meeting
NKU, Student Union, 104 – Wednesday, November 2, 2016 – 1:00 p.m.

1:00 p.m.

- Call to Order
- Roll Call
- Approval of September 8, 2016, Board Minutes
- Presidential Comments
- Joint Finance and Policy Committee Summary, Secretary of the Board of Regents
- Audit Committee Report, Secretary of the Board of Regents

1:20 p.m.

B. Presidential Reports:

- | | |
|---------------------------------------------------------------------------|----------------|
| 1. Facilities Management Report | (Hodges Moore) |
| 2. Research/Grants/Contracts Report (August 1, 2016 – September 30, 2016) | (Ott Rowlands) |
| 3. Fundraising Report (July 1, 2016 – September 30, 2016) | (Gentry) |
| 4. Annual Financial Report | (Hodges Moore) |

1:40 p.m.

C. Presidential Recommendations:

1. *Academic Affairs Personnel Actions
2. *Non-Academic Personnel Actions
3. *Major Gifts Acceptance
4. *Naming Recommendation (Trice, Brown, Thomas, Garrigan)
5. *Faculty Emeritus Status Appointments (Kannan, Kurk)
6. *Terminal Degrees
7. *Modification to Campus Master Plan

2:00 p.m.

D. Executive Session

*Consent Agenda Items - (Items placed on the consent agenda are passed in one motion without discussion. Any Regent may request that an item be removed from the consent agenda for a separate motion by calling Wendy Peek in the Office of the President, 572-5172, by 2 p.m., Monday, October 31, 2016).

**Board of Regents Meeting
Northern Kentucky University, Student Union, Room 104
September 8, 2016**

Regent Richard Boehne, Chair, called the regular meeting of the Board of Regents to order at 1:00 pm, Wednesday, September 8, 2016.

Roll Call: Richard Boehne, Richard L. Boyce, Normand Desmarais, Virginia G. Fox, Terry Mann, Dennis Repenning, W. Lee Scheben, Gregory Shumate, Arnie D. Slaughter, John William Weber, Andr Ward.

Other Attendees: Geoffrey S. Mearns, Kathryn Herschede, Wendy Peek, Tammy Knochelmann, Sue Hodges Moore, Sue Ott Rowlands, Eric Gentry, Joan Gates, Kathleen Roberts, Dan Nadler, Ken Bothof, Kim Scranage, Lori Southwood, Mike Hales, Diana McGill, Rebecca Porterfield, Cynthia Reed, Dale Scalise-Smith, Jeff Standen, Tracy Insko, Chris Bowling, Bill Farrow, Sam Reynolds, Kathy Stewart, Sara Kelley, Larry Meyer, Melissa Gorbandt, Samantha Langley, Amanda Nageleisen, Mary Paula Schuh, Russ Kerdolff, Allen Cole, Christian Gamm, Cathy Dewberry, McKensie Manley, Syed Zaidi, Marilou Singleton, Toni Wice, Ricky Williams, Julie Dials, Michelle McMullen, Lori Thaxton, Erica Bolenbaugh, Lori Cox, Mark Hansel, Samantha Pearson, Lucas Walsh, Justin Duncan, Tara Widener, Jey Marks, Jim Nilson, Vickie Natale, Karen Zerhusen Kruer, Barry Kienzle, Alex Lytle, Brent Donaldson, Jayna Barker, Brooke Schievik, Jeff Strunk, Kate Murphy

Oath of Office: Regent Richard Boehne performed the oath of office for Regent Normand Desmarais, Regent Gregory Shumate, and Regent John William Weber. Regent Desmarais, Regent Shumate, and Regent Weber swore to uphold all stipulations of the oath and faithfully execute, to the best of their ability, the duties of Regent of Northern Kentucky University according to law.

Regent Andr Ward seconded Regent Terry Mann’s motion to approve the minutes of the April 27, 2016, May 18, 2016, and July 20, 2016 Board of Regents meetings. (**Motion carried**)

Presidential Comments:

Welcome

Please join me in welcoming two new people to our University and a dedicated faculty member to her new role as Interim Dean of the College of Arts and Sciences.

New to NKU are Dan Nadler and Joan Gates. Dan is our new Vice President for Student Affairs. He joins NKU from Eastern Illinois University. Joan is our new Vice President for Legal Affairs and General Counsel. Joan joins us from Cincinnati Children’s Hospital Medical Center, and she is a graduate of our Chase College of Law.

Joining us in a new position is Diana McGill, Interim Dean of the College of Arts and Sciences. Diana is an outstanding long-time faculty member and past chair of the Department of

Board of Regents
September 8, 2016

Chemistry. She is also a graduate of NKU. Diana is respected and admired for her dedication and personal attention to our students. You may have seen Diana, and her husband Tom, at our basketball games and soccer matches. Diana and Tom are big Norse fans, and they are generous donors to our University.

Please join me in recognizing Dan, Joan, and Diana.

Status of the Reduction in Force

At the April Budget Presentation, I announced that, in order to balance the budget, it would be necessary to have a reduction in force. Last Spring, we anticipated that nearly 100 staff positions would be affected, including approximately 36 filled positions. At that time, I committed to take all reasonable and appropriate actions to minimize the impact on our existing staff.

Last week, the final employees who were affected by the reduction in force were notified. In total, 35 employees were impacted. Of the 35 employees, eight staff employees are now employed by a University partner. Four employees retired. Four employees were successful in being placed in other open positions at NKU. Two individuals voluntarily resigned. In the end, 17 employees were not able to be placed in other positions with the University.

While I know this result is difficult for those 17 individuals and their families, I am grateful to Lori Southwood and her human resources team for helping us to reduce the total impact on our staff.

Also consistent with our commitment to minimize the impact on our staff, we are piloting a voluntary reduction in work schedule program in the College of Arts and Sciences. Nine employees in the college have been notified that they are eligible. Under this program, eligible employees can voluntarily reduce their workload from the standard 37.5 hours per week to a lesser amount. A voluntary reduction of working hours was just one of the many good suggestions that we heard from our faculty and staff when we had open forums on the budget.

Flyer

On Tuesday, I learned that a flyer with racial themes was posted in a location on our campus. The flyer was posted by an unknown person, and the organization named on the flyer is not an organization that is known to or recognized by the University. The events promoted by the flyer were never held on our campus. And, of course, the flyer was not authorized by the University.

On Tuesday evening, a peaceful protest was organized and conducted by our students. I attended the event, along with several other administrators, faculty, and staff. At the event, I expressed my respect and appreciation for the constructive response by our students, and I reiterated my personal commitment to maintaining and building a campus community that welcomes diversity and values inclusive excellence.

The Dean of Students' office is actively engaged in an ongoing dialogue with our students. And we will continue to spread a message of equality, inclusion, and empowerment on our campus.

Sexual-Based Violence

Our commitment to the safety and welfare of our students is a paramount issue. We have never compromised on the safety and welfare of our students, and we never will.

As you have likely seen, there has been a significant amount of national media attention about sexual-based violence on college campuses and at off campus events involving college students. I am committed to eliminating sexual-based violence, and all violence, on our campus and in our community. To support this commitment, we have excellent staff who oversee all programs and policies related to sexual misconduct on our campus.

Gabby Maloney leads our Norse Violence Prevention Center. Gabby serves students who have been victims of violence, and she also works diligently to prevent violence on our campus and in our community. Gabby and her colleagues host a variety of programs and events that are all aimed at reducing violence. For example, the Norse Violence Prevention Center has or will host the following events on campus this Fall: Step In Speak Up Against Sexual Violence; Let's talk CONSENT training; Lean on Me: an overview on sexual and dating violence and how to support survivors; conversations about healthy masculinity; and Green Dot training. These are just a few programs and events.

Ann James, our Senior Associate Dean for Student Conduct and Rights, works to make sure that we have fair and compassionate disciplinary processes and that the rights of our students are protected.

Kathleen Roberts, as our Title IX officer, helps to facilitate conversations about sexual-based violence and the ways that we can all be involved in stopping violence.

And just a moment ago, I introduced Joan Gates. Joan and her predecessor, Sara Sidebottom, together with our Associate General Counsel Sara Kelley, work to ensure that our processes are fair, consistent, and uphold our high ethical and legal responsibilities.

As a result of the efforts of these individuals, and our entire campus community, we have a safe campus. In fact, for two years in a row, a national study has concluded that our campus is one of the safest in the country. And the number and percentage of reported incidents on our campus are below the national average and less than some of the other institutions in our region. That's very good. But it's not good enough. Through education and training, our goal is to eliminate sexual-based violence on our campus.

Therefore, after consulting with Rich Boehne, our Board Chair, I have directed our legal counsel to engage Dinsmore, a major law firm in this region, to conduct an independent and comprehensive assessment of our policies and procedures related to sexual-based violence. We believe that our policies and practices comply with federal and state law. But because of our commitment to the safety and welfare of our students, I believe that we should continue to identify ways to improve – to exceed the requirements of the law. When this work is complete, I will share the principal findings and recommendations with the Board of Regents and the campus community.

Board of Regents
September 8, 2016

What I have just described is my professional responsibility. But this issue is also personal.

I have four daughters between the ages of 24 and 18. Three of my daughters presently live on a university campus. And one of these three is a student at NKU, and she lives only a few hundred yards from where I sit right now.

I know that Gabby and Ann and Kathleen and Joan and Sara share my professional and personal commitments – a commitment to treat victims with compassion and respect, and a commitment to end sexual-based violence on our campus.

But you may have read in the media some stories that suggest that we are indifferent to the plight of such victims or that we are trying to hide the truth about these issues on our campus. These articles have been promoted by a lawyer who would prefer to litigate his case in the media, as opposed to have the claims fairly adjudicated by an experienced federal judge. This lawyer knows that we cannot disclose information that is protected by federal student privacy laws, even when those facts would support the University's legal position.

We will continue to respect the privacy rights of our students, even when it is tempting to disclose that information in order to refute an unfounded claim or to respond to unfair stories in the media.

The media accounts that this lawyer has orchestrated are not merely annoying. They are insulting. They unfairly damage the reputations of the women and men who volunteer to serve on our Board of Regents.

They unfairly damage the reputations of the men and women who founded and built the University.

They distract and threaten to demoralize our faculty and staff, who are dedicated to the success and safety of our students.

And they undermine the justifiable pride that more than 50,000 alumni and 14,000 students have in our University.

But, ladies and gentlemen, that is the price that we must pay to respect the integrity of the judicial process, and that is the price that we must pay to honor and defend the privacy rights of our students.

Allow me to end where I began. Our commitment to the safety and welfare of our students is paramount. We have never compromised on the safety and welfare of our students, and we never will.

Enrollment

As you know, the competition for new student enrollment in our region has been significant, but our strategic investments in enrollment are yielding results. The quality of our freshman class continues to improve. This Fall, based on our preliminary data, our incoming freshman class has

Board of Regents
September 8, 2016

a median ACT score of 24 and a median high school GPA of 3.5. Five years ago, the median ACT score was 22. Ten years ago, it was 21.2. To go from 21.2 to 24 in just one decade is remarkable. It is a reflection of the quality of our faculty and our academic programs, and it is the product of our effective recruitment efforts.

This year, we have also enrolled more new international students. That number has been in flux in recent years, but this Fall we will welcome more than 80 freshmen from more than 30 countries. When you include returning and exchange students, we have students from more than 70 countries on our campus this year.

This Fall we also saw an increase in new graduate students. This is very positive news. As you may recall, the number of new graduate students at NKU has declined the last several years. I am grateful to Christian Gamm and the directors of all of our graduate programs for their successful efforts to increase graduate student enrollment.

We also continue to see measurable improvement in our retention rates. I am proud to report that, based on our projected data for this Fall, our first-to-second-year retention rate will increase by more than two percentage points this year. This Fall, we anticipate our retention rate will be 72%. In 2010, it was 66%. That's a six percentage point increase in just six years.

Athletics Update

I am pleased to share that our transition to Division I is now complete. We have been formally approved as active Division I status by the NCAA, and our student-athletes can now compete for NCAA championships. I'd like to thank our outstanding student-athletes, Ken Bothof and his staff, the members of the Institutional Performance Program Committee, the Board of Regents for your steadfast support, and our loyal fans. We have much to be proud of and much to look forward to.

Speaking of looking forward to good things, I hope you'll join us for our "Night with the Norse Gala" on October 8 at Great American Ballpark. The event is a celebration of our successful transition to NCAA Division I, and it is an opportunity for our fans from across the region to learn more about our outstanding teams and our student athletes.

Katie Herschede

Today marks Katie Herschede's last day at our University – her University – and her last official Board of Regents meeting. Katie has served our University for 10 years, the last six as the Executive Assistant to the President and Secretary to the Board. Prior to joining the President's Office team, she was the Director of Government and Community Relations.

Katie's legacy on our campus goes back much further than that. As an undergraduate, she was a strong advocate for her fellow students, representing them in various ways, including leadership of our Student Government Association. As SGA president, Katie led the effort to secure funding for our Student Union when the state legislature would not fund the project.

Katie is a proud NKU alumna. She earned her bachelor's degree in business management. And, in May 2015, she received her doctorate degree in educational leadership from NKU.

Board of Regents
September 8, 2016

I will miss her pride, her knowledge and her experience, and her good judgment. Like so many of our graduates, she has given much back to our University and to our community. We all have benefited from Katie's abiding affection for NKU. She has had a lasting impact.

Please join me in thanking Katie for her dedicated service to our University.

B. Presidential Reports:

1. Facilities Management Report (Senior Vice President Sue Hodges Moore)

- a. Health Innovation Center/Founders Hall Renovation
- b. Callahan Hall Loading Dock Replacement
- c. Student Account Services and Vestibule Renovation
- d. Women's Volleyball Locker Room Renovation
- e. Replace Campus Light Poles – Phase 1
- f. Regents Hall Repairs
- g. Power/Central Plant Roof
- h. High Voltage Loop Switch
- i. Lucas Administrative Center Sealing and Caulking
- j. Education at Work
- k. Parking Lot Restoration
- l. Sustainability
- m. North Connector Road

2. Research, Grants, and Contracts Report (April 1, 2016 – June 30, 2016) (Provost and Executive Vice President Sue Ott Rowlands)

During the April 1, 2016 – June 30, 2016 time period, 31 grants were awarded. The total amount of money awarded was \$1,809,181. For Fiscal Year 2015-16, the cumulative total number of grants awarded is 89 totaling \$7,107,768.

3. Research, Grants, and Contracts Report (July 1, 2016 – July 31, 2016) (Provost and Executive Vice President Sue Ott Rowlands)

During the July 2016 time period, 16 grants were awarded. The total amount of money awarded was \$1,054,645.

4. Fundraising Report (July 1, 2015 through June 30, 2016) (Vice President Eric Gentry)

The Fundraising Report summarized fundraising resources committed from July 1, 2015 through June 30, 2016 totaling \$13,176,425 in support of the university.

5. Organizational Changes Report (Senior Vice President Sue Hodges Moore)

The organizational changes report reflected the following:

Administration and Finance

The University Police will now report to the Division of Student Affairs. Facilities Management Department implemented a new organizational structure to better align operational functions with strategic priorities.

Academic Affairs

The Grant County Center now reports to the Associate Provost for Learning Sciences & Technology and Dean of the Library. The Center for the Environmental Restoration now reports to Graduate Education, Research and Outreach instead of to Research, Grants and Contracts. First Year Programs will now report to Vice Provost for Undergraduate Academic Affairs. The Learning Assistance Center has changed its name to Learning PLUS. Online Education will become a part of CITE and its staff will report to Dr. Arne Almquist, Associate Provost for Learning Sciences & Technologies and Dean of the Library. The PACE Program will report to Dr. Idna Corbett, Vice Provost for Undergraduate Academic Affairs, and PACE will become an initiative of Undergraduate Academic Affairs. A new organizational unit, Enrollment and Financial Assistance, was created to provide for accurate administrative oversight of the Office of Admissions, Student Financial Assistance, and Transfer Services as it relates to financial and personnel issues within SAP. The Assistant Vice President of Enrollment and Financial Assistance will be the chief of this organizational unit. The VRS will now report to University Connect and Persist. The Director of UCAP will oversee all administrative processes and provide leadership over the VRS.

Student Affairs

The Vice President and Dean of Students position has changed to Vice President for Student Affairs. The Assistant Vice President for Student Engagement and Business Operations will now be named the Assistant Vice President for Student Engagement and Dean of Students. The Assistant Vice President for Student Inclusiveness will now be the Assistant vice President for Student Affairs. The Dean of Students position has been separated from the Vice President for Student Affairs role and is now the Assistant Vice President for Student Engagement and Dean of Students. The AVP for Student Inclusiveness title was changed back to the previous title of Assistant Vice President for Student Affairs. The AVP for Student Affairs now supervises all areas previously reporting to the AVP for Student Inclusiveness (African American Programs and Services, Latino Programs and Services, LGBTQ Programs and Services, Disability Programs and Services, Upward Bound, LEAP, and Educational Talent Search), plus the addition of Health Counseling and Student Wellness, Norse Violence Prevention Center and Ombuds Services.

6. NKU/NKUF Partnership

A discussion was led by Mr. Eric Gentry, Vice President for University Advancement, to move to the NKU/NKUF Partnership model.

A motion was made by Regent Terry Mann and seconded by Regent Virginia Fox that the President come back with a specific recommendation to the Board of Regents about this issue no later than the November Board of Regents meeting. **(Motion carried)**

C. Presidential Recommendations:

Consent Agenda Items: A motion was made by Regent Terry Mann and seconded by Regent John William Weber to approve the following Presidential Recommendations as listed; C-1 through C-8. **(Motion carried)**

1. Academic Affairs Personnel Actions:

a. Administrative Appointments:

Dr. John Alberti, from professor in the Department of English in the College of Arts and Sciences to professor in the Department of English and associate dean of the College of Arts and Sciences, effective July 1, 2016; **Mr. Matthew Albritton**, from associate professor in the Visual Arts Program in the School of the Arts to associate professor and program head of the Visual Arts Program in the School of the Arts, effective August 15, 2016; **Dr. Roland Coloma**, professor (with tenure) and chair in the Department of Teacher Education in the College of Education and Human Services, effective July 18, 2016; **Dr. Maureen Doyle**, from associate professor in the Department of Computer Science and associate dean in the College of Informatics to associate professor and interim chair of the Department of Computer Science in the College of Informatics, effective July 1, 2016; **Mr. Michael King**, from associate professor in the Theatre and Dance Program in the School of the Arts to associate professor and program head of the Theatre and Dance Program in the School of the Arts, effective August 15, 2016; **Dr. Mary C. Kishman**, from chair of the Department of Nursing in the College of Health Professions to chair of the Department of Nursing and director of the Nurse Advocacy Center for the Underserved in the College of Health Professions, effective May 26, 2016; **Dr. Gail Mackin**, from professor in the Department of Mathematics and Statistics and associate dean of the College of Arts and Sciences to professor in the Department of Mathematics and Statistics and senior associate dean of the College of Arts and Sciences, effective July 1, 2016; **Dr. Diana McGill**, from professor in the Department of Chemistry in the College of Arts and Sciences to professor in the Department of Chemistry and interim dean of the College of Arts and Sciences, effective July 1, 2016; **Dr. Burke Miller**, from associate professor and acting chair in the Department of History and Geography in the College of Arts and Sciences to associate professor and chair in the Department of History and Geography in the College of Arts and Sciences, effective July 1, 2016; **Dr. Patrick Schultheis**, from professor in the Department of Biological Sciences in the College of Arts and Sciences to professor and interim chair in the Department of Biological Sciences in the College of Arts and Sciences, effective July 1, 2016; **Dr. Tracey Sigler**, from associate professor in the Department of Management in the

Haile/US Bank College of Business to associate professor and chair in the Department of Management in the Haile/US Bank College of Business, effective July 1, 2016; **Dr. Gannon Tagher**, from assistant professor in the Department of Nursing in the College of Health Professions to assistant professor in the Department of Nursing and director of the Bachelor of Science in Nursing Program in the College of Health Professions, effective August 15, 2016; **Dr. David Tataw**, associate professor (with tenure) in the Department of Allied Health and associate dean of the College of Health Professions, effective July 1, 2016; **Mr. Jason Vest**, from assistant professor in the Music Program in the School of the Arts to assistant professor and program head of the Music Program in the School of the Arts, effective August 15, 2016; **Dr. Stephen Yungbluth**, from associate professor in the Department of Communication in the College of Informatics to associate professor in the Department of Communication and associate dean of the College of Informatics, effective July 1, 2016; **Dr. Lynne Zajac**, from assistant professor in the Department of Advanced Nursing Studies in the College of Health Professions to assistant professor in the Department of Advanced Nursing Studies and director of the Doctor of Nursing Program in the College of Health Professions, effective August 15, 2016.

b. Faculty Appointments:

Mr. Jason Applegate, assistant professor in the Department of Allied Health in the College of Health Professions, effective August 15, 2016; **Ms. Rachael Banks**, assistant professor in the Visual Arts Program in the School of the Arts, effective August 15, 2016; **Dr. Janaina Siegler Marques Batista**, visiting assistant professor in the Department of Management in the Haile/US Bank College of Business, effective August 15, 2016; **Ms. Maren Carpenter-Fearing**, assistant professor in the Visual Arts Program in the School of the Arts, effective August 15, 2016; **Dr. Rasib Khan**, assistant professor in the Department of Computer Science in the College of Informatics, effective August 15, 2016; **Dr. Gary Ozanich**, associate professor of practice in the Department of Business Informatics in the College of Informatics, effective August 15, 2016; **Dr. William Terry Ray**, clinical professor in the Department of Advanced Nursing Studies in the College of Health Professions, effective July 1, 2016; **Dr. Gang Sun**, assistant professor in the Department of Physics, Geology and Engineering Technology in the College of Arts and Sciences, effective August 15, 2016; **Dr. Kalif Vaughn**, assistant professor in the Department of Psychological Science in the College of Arts and Sciences, effective August 15, 2016; **Mr. David Wilkerson**, lecturer (non-tenure track renewable) in the Department of Counseling, Social Work and Leadership in the College of Education and Human Services, effective August 15, 2016.

c. Transitions:

Ms. Paulette Ebert, from lecturer (non-tenure track renewable) in the Learning Assistance Program to lecturer (non-tenure track renewable) in the Department of Mathematics and Statistics in the College of Arts and Sciences, effective August 15, 2016; **Mr. Michael Hatton**, from assistant professor and program head in the Theatre and Dance Program in the School of the Arts to associate professor in the Theatre and Dance Program in the School of the Arts, effective August 15, 2016; **Dr. William Landon**, from chair in the Department of History and Geography in the College of Arts and Sciences to associate professor in the

Department of History and Geography in the College of Arts and Sciences, effective August 15, 2016; **Dr. Eric Knechtges**, from associate professor and program head in the Music Program in the School of the Arts to professor in the Music Program in the School of the Arts, effective August 15, 2016; **Mr. Roger McCombs**, from associate professor and program head in the Visual Arts Program in the School of the Arts to associate professor in the Visual Arts Program in the School of the Arts, effective August 15, 2016; **Ms. Juliane Stockman**, from associate director of Career Services to lecturer (non tenure-track renewable) and associate director of Corporate Engagement in the Center for Applied Informatics in the College of Informatics, effective August 1, 2016; **Dr. Judy Voelker**, from associate professor in the Department of Sociology, Anthropology, and Philosophy and associate dean in the College of Arts and Sciences, to associate professor in Sociology, Anthropology and Philosophy in the College of Arts and Sciences, effective August 15, 2016.

d. Request For Leave, Paid/Unpaid:

Dr. Miriam Kannan, Regent's professor in the Department of Biological Sciences, retraction of unpaid leave request. ** The unpaid leave of absence request approved for Dr. Kannan on September 2, 2015 was contingent upon the successful funding of the research proposal that would have accompanied the Promoteo Scholar Award in Ecuador. The Promoteo grant program is being placed on hold at this time. Therefore, we request the withdrawal of that approval.*

A withdrawal of Dr. Miriam Kannan's previously approved leave of absence, September 2, 2015, has been requested.

e. Retirements:

Dr. Stephen Mueller, professor in the Department of Management in the Haile/US Bank College of Business, effective May 17, 2016; **Dr. Robert Snyder**, professor in the Department of Management in the Haile/US Bank College of Business, effective May 17, 2016.

f. Phased Retirements:

Dr. Tripta Desai, professor in the Department of History and Geography in the College of Arts and Sciences, beginning at the start of the 2016-17 academic year and terminating at the end of the 2017-18 academic year; **Ms. Cindy Foster**, associate professor in the Department of Advanced Nursing Studies in the College of Health Professions, beginning at the start of the 2016-17 academic year and terminating at the end of the 2017-18 academic year; **Dr. Katherine Kurk**, professor in the Department of World Languages and Literatures in the College of Arts and Sciences, beginning at the start of the 2017 spring semester and terminating at the end of the 2018 fall semester; **Dr. Louise Niemer**, associate professor in the Department of Nursing in the College of Health Professions, beginning at the start of the 2017 spring semester and terminating at the end of the 2019 fall semester

g. Departures:

Dr. Benjamin Baran, assistant professor of management in the Department of Management in the Haile/US Bank College of Business, effective May 17, 2016; **Dr. Katherine Frank**, dean of the College of Arts and Sciences, effective July 1, 2016; **Dr. Bertie Greer**, professor and chair in the Department of Management in the Haile/US Bank College of Business, effective July 1, 2016; **Dr. Lisa Knapp**, lecturer in the Department of Nursing in the College of Health Professions, effective May 17, 2016; **Dr. Karen Koner**, assistant professor and coordinator of music education in the Music Program in the School of the Arts, effective May 17, 2016; **Dr. Thomas Lambert**, assistant professor of Public Administration in the Department of Political Science, Criminal Justice and Organizational Leadership in the College of Arts and Sciences, effective August 8, 2016; **Dr. Jaime McCauley**, assistant professor in the Department of Sociology, Anthropology and Philosophy in the College of Arts and Sciences, effective July 1, 2016; **Dr. James McGuffee**, associate professor and chair of the Department of Computer Science in the College of Informatics, effective July 1, 2016; **Dr. Kenneth Rhee**, associate professor in the Department of Management in the Haile/US Bank College of Business, effective August 9, 2016; **Dr. Porsha Robinson-Ervin**, assistant professor in the Department of Teacher Education in the College of Education and Human Services, effective July 31, 2016; **Ms. Patricia Sisson**, lecturer II (non-tenure track renewable) in the Department of Mathematics and Statistics in the College of Arts and Sciences, effective July 1, 2016; **Dr. Patricia Sunderhaus**, lecturer in the Department of Advanced Nursing Studies in the College of Health Professions, effective May 17, 2016; **Mr. E. Shane Talbott**, lecturer, Office of the Dean, College of Health Professions, effective July 1, 2016.

h. Temporary Faculty Appointments:

Mr. Steve Castellano, Department of Biological Sciences, 2016-2017 Academic Year; **Dr. Beatriz Russell**, Department of Chemistry, 2016-2017 Academic Year; **Ms. Ella Bowling**, CINSAM, 2016-2017 Academic Year; **Mr. Rueben Bullard**, CINSAM, 2016-2017 Academic Year; **Ms. Amber Carter**, CINSAM, 2016-2017 Academic Year; **Dr. Rhonda Davis**, Department of English, 2016-2017 Academic Year; **Dr. Kristi Brock**, Department of English, 2016-2017 Academic Year; **Dr. Stephen Leigh**, Department of English, 2016-2017 Academic Year; **Dr. Connie Bruins**, Department of History and Geography, 2016-2017 Academic Year; **Dr. Mary Bucklin**, Department of History and Geography, 2016-2017 Academic Year; **Mr. Joseph Lombardi**, Department of History and Geography, 2016-2017 Academic Year; **Ms. Kathleen Quinn**, Department of History and Geography, 2016-2017 Academic Year; **Ms. Meredith Smith**, Department of History and Geography, 2016-2017 Academic Year; **Ms. Shelley Cain**, Department of Mathematics and Statistics, 2016-2017 Academic Year; **Mr. Michael Collins**, Department of Mathematics and Statistics, 2016-2017 Academic Year; **Ms. Chrystal Culbertson**, Department of Mathematics and Statistics, 2016-2017 Academic Year; **Ms. Marla Lemmon**, Department of Mathematics and Statistics, 2016-2017 Academic Year; **Ms. Barbara Phillips**, Department of Mathematics and Statistics, 2016-2017 Academic Year; **Ms. Laura Urbanski**, Department of Mathematics and Statistics, 2016-2017 Academic Year; **Dr. Amy Gillingham**, Department of Music, 2016-2017 Academic Year; **Dr. Eleanor Todd**, Department of Music, 2016-2017 Academic

Year; **Dr. David Cain**, Department of Physics, Geology and Engineering Technology, 2016-2017 Academic Year; **Mr. Daniel Hunter**, Department of Physics, Geology and Engineering Technology, 2016-2017 Academic Year; **Dr. Mohsen Keshtvartz**, Department of Physics, Geology and Engineering Technology, 2016-2017 Academic Year; **Mr. Roger Miller**, Department of Physics, Geology and Engineering Technology, 2016-2017 Academic Year; **Mr. Jeffrey Girton**, Department of Political Science, Criminal Justice & Organizational Leadership, 2016-2017 Academic Year; **Dr. Smita Ward**, Department of Psychological Science, 2016-2017 Academic Year; **Dr. Eliah White**, Department of Psychological Science, 2016-2017 Academic Year; **Dr. Gary Blahnik**, Department of Sociology, Anthropology & Philosophy, 2016-2017 Academic Year; **Dr. Nicole Grant**, Department of Sociology, Anthropology & Philosophy, 2016-2017 Academic Year; **Dr. Michael Simonton**, Department of Sociology, Anthropology & Philosophy, 2016-2017 Academic Year; **Ms. Kristina Vise**, Department of Sociology, Anthropology & Philosophy, 2016-2017 Academic Year; **Ms. Christine Jones**, Department of Theater & Dance, 2016-2017 Academic Year; **Mr. Christopher Smith**, Department of Visual Arts, 2016-2017 Academic Year; **Ms. Jee Eun Lee**, Department of Visual Arts, 2016-2017 Academic Year; **Dr. Andrea Fieler**, Department of World Languages & Literatures, 2016-2017 Academic Year; **Ms. Sandra Bazzani Aronne**, Department of World Languages & Literatures, 2016-2017 Academic Year; **Mr. Anthony Burk**, Department of Business Informatics, 2016-2017 Academic Year; **Ms. Sarah Mann**, Department of Business Informatics, 2016-2017 Academic Year; **Ms. Crystal Summers**, Department of Business Informatics, 2016-2017 Academic Year; **Mr. Bradley Metzger**, Department of Business Informatics, 2016-2017 Fiscal Year; **Mr. Nicholas Brummer**, Department of Communication, 2016-2017 Academic Year; **Ms. Michelle Crowley**, Department of Communication, 2016-2017 Academic Year; **Mr. Tom Streeter**, Department of Communication, 2016-2017 Academic Year;

2. Non-Academic Personnel Actions:

The following categories of non-academic personnel actions which occurred between March 30, 2016 and, August 9, 2016 received approval by the Board of Regents:
Activations/Rehires; Reassignments, Reclassifications, Title/Status Changes, Promotions; Transfers; Contract/Temporary to Regular & Regular to Contract; Departures; Retirees; Administrative/Executive.

3. Major Gifts Acceptance:

The Board of Regents officially accepted contributions totaling \$414,459.00 received by the NKU Foundation Inc. for the benefit of Northern Kentucky University during the period April 01, 2016 through June 30, 2016.

4. Naming Recommendations (Allen, Lorenz, Widmer, Hendon, Sidya, Turner, Cordray):

The Board of Regents approved the following naming actions:

(1) The naming of a scholarship in support of students who demonstrate academic achievement and financial need with preference for students who are members in good

standing of the Delta Zeta Sorority organization “The David and Linda Allen NKU Endowed Scholarship”.

(2) The naming of a scholarship in support of students who are pursuing fields of study in the biological sciences or are pre-med track eligible and who demonstrate academic achievement and financial need “The Dr. Robert and Dolores Lorenz Scholarship in Biological Science”.

(3) The naming of an endowed scholarship in support of students who opt to further their theoretical and empirical knowledge regarding social justice issues through the pursuit of a minor in social justice studies “The Connie & Firmin Widmer Endowed Scholarship in Social Justice”.

(4) The naming of an endowed scholarship in support of students enrolled in Chase College of Law “The Judge Sylvia Sieve Hendon Endowed Scholarship”.

(5) The naming of an endowed scholarship in support of undergraduate students from the West African nation of Mauritania with preference given to students who have extracurricular involvement with the Nouakchott Kings Soccer Academy in Nouakchott, Mauritania “The Yacoub A. Sidya Endowed Scholarship”.

(6) The naming of a financial aid award in support of NKU students who are also single parents “The Kim Turner Family Award”.

(7) The naming of an endowed scholarship in support of Kentucky students pursuing studies in science, technology, engineering or mathematics (STEM) fields “The Lee Cordray Endowed STEM Scholarship”.

5. Faculty Emeritus Status Appointment (Bishop, Filaseta, Hastings, Pearce):

The Board of Regents approved the Emeritus status for the following individuals.

Dr. Paul Bishop, associate professor in the Department of Psychological Science, effective May 15, 2016; **Dr. John Filaseta**, associate professor in the Department of Physics, Geology and Engineering Technology, effective January 1, 2016; **Dr. Jon Hastings**, professor in the Department of Biological Sciences, effective May 15, 2016; **Dr. Debra Pearce**, professor in the Department of Biological Sciences, effective May 15, 2016.

6. New Graduate Certificate Program – Emergency Management:

The Board of Regents approved the Emergency Management (EM) graduate certificate in the College of Arts and Sciences, for initiation at the beginning of the 2016 fall semester.

7. Nurse Anesthesia Program Schedule of Tuition and Fees:

The Board of Regents endorsed the tuition and mandatory fee rates for the Nurse Anesthesia Program (NAP). The NAP program starts Spring 2017.

8. Organizational Chart Update:

The Board of Regents approved the organizational chart which reflects all NKU Administrative updates through September 8, 2016.

D. Executive Session:

Regent Gregory Shumate seconded Regent Richard Boehne's motion to enter into executive session pursuant to KRS 61.810(1) (b) and KRS 61.810(1) (c). **(Motion carried)**

No other matters were discussed. No final action was taken.

At 3:57 p.m., Regent Richard Boyce seconded Regent Terry Mann's motion to adjourn. **(Motion carried)**

Signature On File

Wendy J. Peek
Senior Administrative Assistant
Office of the President

I, Virginia Fox, Secretary of the Board of Regents of Northern Kentucky University, certify that the foregoing is a true copy of the minutes of the regular meeting held on September 8, 2016, and that such matters are still in force and effect.

Signature On File

Virginia G. Fox
Secretary of the Board of Regents

FACILITIES MANAGEMENT REPORT

1. Health Innovation Center/Founders Hall Renovation

The 2014 General Assembly provided \$97 million in state bond funding for design and construction of the Health Innovation Center project which includes the full renovation of Founders Hall. A gift of \$8 million from St. Elizabeth Healthcare has increased available project funds to \$105,000,000.

The Health Innovation Center will be a comprehensive health science education and applied research facility located in the core of NKU's campus. The project will position the university to be a leader in this field, to enroll and graduate professionals trained for the changing face of health education and wellness. To meet these goals, the university's approach is collaborative and interdisciplinary, involving numerous academic disciplines, including those in health, social science, information science, and the physical and life sciences.

Upon completion, the building will be light-filled, open and inviting. It will feature active learning classrooms as well as spaces designed to advance nursing and health science education, including a clinical suite; medical simulation suite; nursing, radiology and respiratory skills labs; a biopsychology and a neuroscience lab; advanced kinesiology lab; movement studio; innovation studios; offices; and a café and spaces designed to build community. The building features a dramatic split-level public space which connects the Central Plaza with the West Quad. The new building has been planned as a pair of wings or lofts oriented along the east-west direction to optimize solar orientation. The lofts are positioned directly adjacent to Founders Hall, creating multiple collaborative common areas. They are connected via bridges to Founders Hall across a narrow four story atrium space, joining the new construction with the existing building. A large skylight at the roof level will allow natural daylight to spill down through the atrium space.

Construction Progress: The foundation and steel superstructure work is complete. Concrete pours are underway; the first three floors of concrete are in place.

Founders Hall: Interior demolition of Founders Hall is complete. New windows are being installed. Workers are beginning to frame walls on the fifth floor of Founders Hall.

Approximately 95% of the project has been bid. The entire project will be bid out by mid-October. Construction was 25% complete as of September 30, 2016.

The project is currently on schedule and within budget.

Architect: CO Architects/GBBN

Engineers: CMTA, THP, Kleingers & Associates

Special Consultants: Sextant Group, Capital Projects Group, Vivian Llambi, SM&W

Health Innovation Center/Founders Hall Renovation – Continued

Construction Manager: Turner Construction

Scope: \$105,000,000

Anticipated Completion: Spring 2018



Aerial Photo of Construction Site - 1



Aerial Photo of Construction Site - 2

2. Replace Campus Light Poles - Phase 1 & II

This is Phase I of an estimated three year replacement program to replace the 125 roadway light poles on campus. These steel light poles have reached/exceeded their life expectancy. Many are rusting internally at the base and need to be replaced to minimize safety risks. In addition, the project will reduce operating costs through use of long-lasting LED lights that use less energy and reduce maintenance.

Replace Campus Light Poles - Phase 1 & II – Continued

Phase I of the project to install 25 light poles along Nunn Drive between US 27 and the roundabout intersection with University Drive is finished and the poles are operational.

Phase II of the project will begin with the replacement of 15 poles along Nunn Drive from the roundabout to Steely Library, completing the Nunn Drive phase of roadway lighting. Materials have been ordered and on-site work may begin in October, finishing in December. Phase II work will continue next summer after bidding the next section.

Structural Engineer: THP Limited Inc.

Contractor: Atkins & Stang Inc.

Scope: \$100,000

Anticipated Completion: December 2016



New pole base



New light pole

3. Regents Hall Repairs

Repairs to Regents Hall will be made in the following areas:

- A. The north side of the Albright Health Center between the new Campus Recreation Center and Regents Hall will be cleaned, caulked, and sealed.
- B. The stress crack extending from the floor to the roof in the south, exterior wall of Regents Hall will be repaired.
- C. Structural repairs will be made to the bridge connecting Regents Hall and the Student Union.

Regents Hall Repairs - Continued

Work to clean, caulk, and seal the north side of the Health Center between the Campus Recreation Center and Regents is finished as well as repairs to the stress crack in the building's south wall.

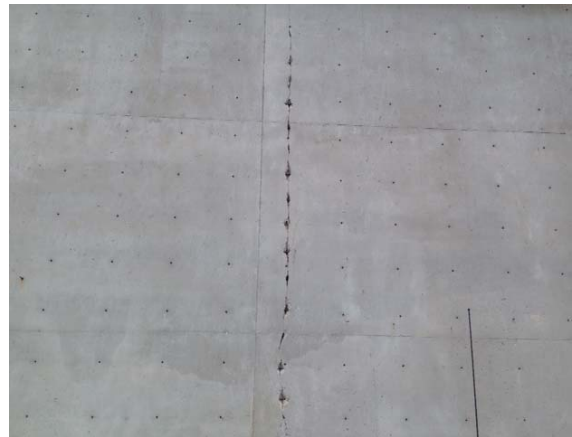
Structural repairs to the Regents bridge began in September and should be finished in November.

Structural Engineers: THP Limited Inc.

Contractor: ZSR Contracting & Restoration

Scope: \$152,600

Anticipated Completion: November 2016



Regents Hall / Student Union Bridge repairs in progress and the stress crack in the south wall of Regents Hall prior to repairs

4. High Voltage Loop Switch

The electrical service to the main campus is delivered through two independent 'feeds' that power two campus service 'loops'. This feature, combined with a series of switches across campus, enables individual buildings or several buildings to be taken off-line and also allows for power to be transferred from one loop to the other. This intentional system redundancy significantly reduces the risk of prolonged power disruption. Periodically, the equipment servicing each loop needs to be inspected and maintained.

In December 2015, as part of a five year plan to inspect sections of the loops, the first inspection was completed. The inspection found that a high voltage 'pad mount' loop switch in the north turf area of the Science Center, approximately 40 years old, has reached the end of its life. This switch provides power to part of our exterior lighting and provides the flexibility to cut power to half the main campus buildings. Moisture is getting into the switch, corroding the contacts and causing electrical arcs. It was highly recommended that the switch be replaced soon.

High Voltage Loop Switch – Continued

This project will replace the switch, minimizing the risk of a power outage. The custom switch has been ordered and is tentatively scheduled to be installed during Fall Break, October 17th and 18th.

Electrical Engineer: KZF Design Inc.

Contractor: Banta Electrical Contractors Inc.

Scope: \$60,000

Anticipated Completion: October 2016



Current 'Pad Mount' Loop Switch

5. Education at Work

The University has entered into a lease agreement with Education at Work (EAW) to provide workforce development opportunities to eligible University students through the Education at Work on campus partnership program. Training and work opportunities will be provided for students, and employed students will have the opportunity to earn tuition dollars. EAW will be located in an area of about 4,400 square feet in Incubator Building #1, located behind Campbell Hall. Operations & Maintenance converted the space to a work space/call center, the Education at Work Center. EAW is now installing equipment and getting setup for operation.

Contractor: NKU Operations & Maintenance, EAW, and limited contractor support

Scope: \$150,000

Anticipated Completion: November 2016



6. Parking Lot Restoration

This summer, parking lots T, I, Q, Regents Hall, and the Maintenance Building lot were repaired and resurfaced with a two inch overlay. This work was completed in August 2016. A new bio-retention swale near Lot I was completed in September 2016.

Consultant: Site Solutions Consulting

Contractor: Paul Michels & Sons Inc.

Scope: \$445,000

Completion: September 2016



Bioswale area before and during construction



Finished Bioswale

7. UC Ballroom Roof Replacement

The UC Ballroom Terrace roof is leaking into the new IT Genius Bar area, which is located below the roof. Rather than attempting a walkable roof, a standard roof will be installed on the terrace; maintaining the walkout terrace feature would have nearly tripled the cost. The adjoining walls will be caulked to seal the cracks that are also allowing moisture penetration. The door will be secured and the former terrace will be accessed only for maintenance.

Contractors: Roof installation, Weatherproofing Technologies Inc. Caulking, TBD.

Scope: \$75,000

Anticipated Completion: December 2016



Current condition of the roof

8. Lucas Administrative Center Roof Replacement

The Lucas Administrative Center roof, original to the building (1981), was estimated to last 20 years. The roof is in poor condition, occasionally leaks, and has sections of wet insulation. This project will replace the roof and insulation, and install a permanent ladder on the penthouse section of the roof to allow easy access from the main roof for maintenance. The new roof will have a 20 year warranty.

Contractor: Weatherproofing Technologies, Inc.

Scope: \$350,000

Anticipated Completion: December 2016

Lucas Administrative Center Roof – Continued

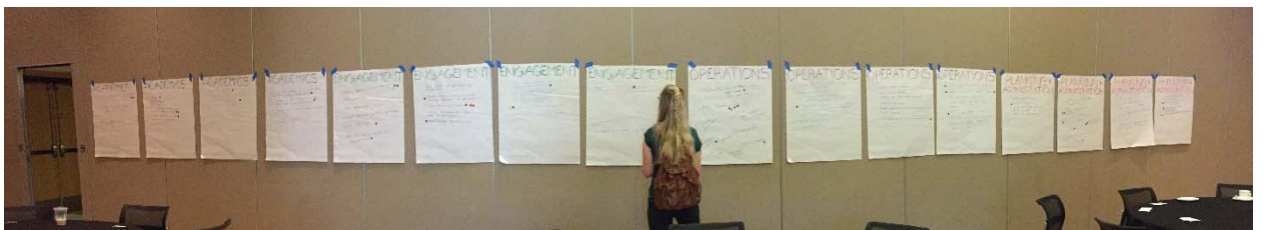


9. Sustainability

NKU Sustainability has begun the process of drafting the University's first Sustainability Strategy. This document will address NKU's goal of achieving carbon neutrality by the year 2050 and will prioritize other initiatives that address sustainability across the University. The process of drafting this document began by creating a work group comprised of students, faculty, staff, and community members with representatives from Student Government, Staff Congress, and Faculty Senate.

On September 27, NKU Sustainability hosted a Sustainability Strategy Public Forum. This event was successful in gathering input from the campus and community, which will form the foundation for the final document. The Public Forum was open to all and attended by a diverse group of stakeholders. Information is also being collected from the public via an online survey, which will be evaluated by Work Group members and NKU Sustainability staff. The completed document is scheduled to be released during Earth Week 2017.

Work has also begun on the 2016 greenhouse gas emissions report. A Sustainability Intern is working alongside the Sustainability Manager to collect and analyze greenhouse gas emissions inventory data. The completed inventory and an annual progress evaluation will be published online in mid-January, 2017.



A student reviews ideas generated during the Sustainability Strategy Public Forum

10. North Connector Road

The Kentucky Transportation Cabinet awarded this long-awaited federally funded project to Bray Construction. The \$10.6 million project is well underway. Earth work is continuing, and the road alignment and elevation are becoming apparent. As part of the project, about 75,000 cubic yards of fill has been placed in a deep valley west of Parking Lot M, creating a land bridge for the road. Construction is expected to be complete in fall 2017.

The one-mile long North Connector Road begins at a roundabout intersection at Three Mile Road, climbs the hill and crosses between the Maintenance Building and Campbell Hall as it runs along the west side of the new intramural fields, west of Woodcrest and through the western gravel section of parking lots L, K, A and G; ending at a new roundabout at Johns Hill Road. Work on the Johns Hill Road roundabout will begin in October. The road includes a sidewalk and bike lanes.

A second section of the Connector Road, the south section, will be bid later and will extend over a mile south of Johns Hill Road, connecting with Pooles Creek Road near its intersection with AA Highway. The Connector Road was a high priority of both the 2000 and 2009 Master Plans and upon completion, will resolve traffic congestion in the core area of campus.

The University has a project in the early planning stages to redesign the parking lots along the west side of campus, between the new Connector Road and Kenton Drive. The project will include lighting and landscaping.



North Connector Road Photo, Sept. 2016



North Connector Road Satellite Image

OFFICE OF RESEARCH, GRANTS, AND CONTRACTS REPORT

The attached report lists the grants awarded, with the amount awarded for each grant, for NKU faculty and staff for August 1, 2016 through September 30, 2016, Fiscal Year 2016-17:

- During the August 1, 2016 through September 30, 2016 time period, **19** grants were awarded. The total amount of money awarded was **\$2,546,524**.
- For Fiscal Year 2016-17, the cumulative total number of grants awarded is **35** totaling **\$3,601,169**.

NKU Office of Research, Grants and Contracts
Grants Awarded Funding - August 1, 2016 thru September 30, 2016
FY 2016-17

<u>Category</u>	<u>Type</u>	<u>College/Administrative Office Department</u>	<u>Project Title</u>	<u>Sponsor</u>	<u>Sponsor Total</u>
<i>Academic Affairs</i>					
Instruction	New-Competitive	Undergraduate Academic Affairs	Corequisite Developmental Education	Council on Postsecondary Education	\$20,310
Student Support	Continuation	Student Support Services	Student Support Services Yr. 2	U.S. Department of Education	\$350,690
<i>Chase Student Affairs</i>					
Student Support	Continuation	None	Kentucky Legal Education Opportunity	Kentucky Justice Administration	\$136,500
<i>College of Arts and Sciences</i>					
Research	New-Competitive	Physics and Geology	Collaborative Proposal: Stellar Companions by Stellar Parameters - A Pan-Galactic Survey of Binaries, BDs and Hot Jup	National Science Foundation	\$85,693
Research	New-Competitive	Physics and Geology	LSST Science Preparation	University of Louisville	\$5,370
Research	New-Competitive	Biological Sciences	Quantifying the Impact of Invasive Callery (Bradford) Pear in the Greater Cincinnati Region	Ohio Biological Survey	\$500
OTHER	Continuation	Mathematics & Statistics	Intergovernmental Personnel Act Assignment - Yr. 3	National Science Foundation	\$132,998
Public Service	New-Competitive	Center for Integrative Natural Science and Mathematics	Addressing Climate Literacy in Kentucky at the Local Level Through University Partnerships	U.S. Environmental Protection Agency (EPA)	\$8,625

<u>Category</u>	<u>Type</u>	<u>College/Administrative Office Department</u>	<u>Project Title</u>	<u>Sponsor</u>	<u>Sponsor Total</u>
<i>College of Education and Human Services</i>					
Instruction	Continuation	Counseling, Social Work, and Leadership	The Northern Kentucky University (NKU)-Children, Adolescents, and Transitional-Age Youth Program (NKU-CAT) - Yr. 3	Health Resources and Services Administration	\$478,880
Instruction	Continuation	Teacher Education	CTE KTIP 2017	Kentucky Education Professional Standards Board	\$2,807
Student Support	Continuation	Counseling, Social Work, and Leadership	Minority Educator Recruitment & Retention	Kentucky Department of Education	\$40,000
<i>College of Health Professions</i>					
Public Service	New-Competitive	Nursing	Smoking Cessation Program for the Underserved Population	WellCare Health Plans	\$1,000
Public Service	Continuation	Nursing	Horsemen's Wellness Center FY 16-17	Kentucky Racing Health & Welfare Fund	\$10,339
<i>College of Informatics</i>					
Research	New-Competitive	Computer Science	Developing Standardized Codes for the OHSN System	U.S. Department of Health and Human Services	\$38,530
<i>Office of Vice Provost for Graduate Education, Research & Outreach</i>					
Public Service	New-Competitive	Kentucky Campus Compact	Kentucky College Coaches FY 16-17	Corporation for National and Community Service	\$406,853
Public Service	New-Competitive	Kentucky Campus Compact	Kentucky Service Corps FY 16-17	Corporation for National and Community Service	\$52,000
Public Service	New-Competitive	Kentucky Campus Compact	Kentucky College Coaches FY 16-17	Higher Education Assistance Authority/FFT	\$423,450

<u>Category</u>	<u>Type</u>	<u>College/Administrative Office Department</u>	<u>Project Title</u>	<u>Sponsor</u>	<u>Sponsor Total</u>
Public Service	New-Competitive	Scripps Howard Ctr for Civic Engagement & Non Profit Development	Scripps Howard Foundation Internship	Scripps Howard Foundation	\$10,000
<i>Student Affairs</i>					
Public Service	Continuation	Upward Bound	Upward Bound FY 16-17	U.S. Department of Education	\$341,979
Total Number of Awards		<u>19</u>	Total Funds Awarded		<u>\$2,546,524</u>
<i>Total Number of Awards FY 2016-17</i>		<u>35</u>	<i>Total Funds Awarded FY 2016-17</i>		<u>\$3,601,169</u>

FUNDRAISING REPORT

The attached Fundraising Report **summarizes fundraising resources committed from July 1, 2016 through September 30, 2016 totaling \$761,208** in support of the university.

The report includes:

1. Resources in support of the colleges, Steely Library, Go Norse Fund, NKU Fund For Excellence, Academic Affairs & University Designated Initiatives, Student Affairs, University Wide Student Aid, and WNKU.
2. Resources for Fiscal Year 2017.

**Fundraising Resources FY 17 to Date by Designation
For the Period 7/01/16 - 9/30/16**

Designation		FY17
College of Arts and Sciences	\$	295,916
College of Business	\$	2,670
College of Education & Human Services	\$	26,101
College of Health Professions	\$	1,603
Health Innovation Center	\$	0
College of Informatics	\$	87,135
Chase College of Law	\$	70,278
Go Norse Fund	\$	148,156
Steely Library	\$	3,610
NKU Fund for Excellence	\$	48,247
Academic Affairs & University Designated Initiatives	\$	20,978
Student Affairs	\$	913
University Wide Student Aid	\$	9,859
WNKU (membership & underwriting)	\$	45,742
Total	\$	761,208

ANNUAL FINANCIAL REPORT

Please refer to the University's 2015-2016 Annual Financial Report. The Report was reviewed by the Board of Regents Audit Committee in accordance with Article III (D) (2) of the Board of Regents Bylaws.



FINANCIAL REPORT **2015-16**



2015-2016 FINANCIAL REPORT

Current as of June 30, 2016

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Interim Vice President for Student Affairs

Russell A. Kerdolff
Comptroller

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Independent Auditor's Reports and Financial Statements
June 30, 2016 and 2015

Table of Contents

Letter from the President	2
Independent Auditor's Report.....	3
Management's Discussion and Analysis.....	5
Financial Statements	
Northern Kentucky University Statements of Net Position.....	14
Northern Kentucky University Foundation, Inc. Consolidated Statements of Financial Position.....	15
Northern Kentucky University Statements of Revenues, Expenses and Changes in Net Position	16
Northern Kentucky University Foundation, Inc. Consolidated Statements of Activities	17
Northern Kentucky University Statements of Cash Flows.....	19
Northern Kentucky University Notes to Financial Statements	20
Required Supplementary Information	
Schedule of Proportionate Share of the Collective Net Pension Liability	47
Schedule of University Contributions	48

September 28, 2016

Northern Kentucky University Board of Regents
Highland Heights, KY 41099



Dear Members of the Board:

I am pleased to share the University's 2015-16 Annual Financial Report. The firm of BKD, LLP, has audited the following statements and accompanying footnotes.

While the impact of the new pension reporting requirements on the University's unrestricted net position is significant, the University continues to show solid operating performance as measured by cash flows. The University is in the process of implementing new and enhanced strategies around enrollment and financial aid. These strategies are designed to increase enrollment, support students from diverse backgrounds, increase student retention rates, maintain academic quality, and increase net tuition revenue. Management is continuing its efforts to diversify revenue sources, contain costs, and redirect resources to core mission priorities.

We have also seen significant growth in our endowment funds in recent years. For the five-year period ended June 30, 2016, the endowment funds that are managed by the NKU Foundation have grown from \$69.9 million in 2011 to \$89.6 million. The continued growth in funds provided through endowments, gifts, and other sources of revenues will be essential as the University strives to meet the needs of our students.

As a result of sound fiscal management and generous philanthropic support, our students, faculty, and staff made a lasting impact on our University and our community last year.

While we continue to address enrollment challenges that are facing universities across the country, our academic quality has never been higher and our incoming freshmen are more academically prepared to succeed than ever before. The average ACT score of the 2016 freshman class is 24.0, compared to 20.7 in Fall 2005.

And our investment in student success is paying off. We have graduated more students over the past five years than any time in our history. Last year, we conferred 2,835 degrees; over the past decade, NKU has conferred more than 27,000 degrees. During that period, we have the highest growth rate in degrees conferred among all of the public universities in Kentucky.

We continue to expand and physically transform our campus as well. Last Fall, we broke ground on a \$97 Health Innovation Center that will help address population health management issues and seek new solutions to the health and wellness challenges we face. St. Elizabeth Healthcare has already invested \$8 million – the second largest gift in the University's history – to support cutting-edge simulation facilities within the Center. We also welcomed a quarter of a million visitors to our renovated Campus Recreation Center last year.

As we approach our 50th anniversary in 2018, excitement is building on campus. We continue to enhance our academic programs and our support of student success both in the classroom and in life. Our students come here to learn, and they learn to lead.

Finally, I'm happy to report that Forbes magazine recently ranked NKU among America's Top Colleges for the eighth consecutive year. I'm confident this current year will be even better.

Sincerely,

A handwritten signature in black ink that reads "G Mearns". The signature is written in a cursive, flowing style.

Geoffrey S. Mearns
President

Independent Auditor's Report

Board of Regents
Northern Kentucky University
Highland Heights, Kentucky

Report on the Financial Statements

We have audited the accompanying basic financial statements of the business-type activities and discretely presented component unit of Northern Kentucky University (University), collectively a component unit of the Commonwealth of Kentucky, as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University as of June 30, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The board of regents and administration listing and letter from the president are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Cincinnati, Ohio
September 29, 2016

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Management's Discussion and Analysis
Years Ended June 30, 2016 and 2015

Northern Kentucky University's (the University) Management's Discussion and Analysis of its financial condition provides an overview of the financial performance of the University and its affiliated corporations for the years ended June 30, 2016 and 2015, with selected comparative information for the years ended June 30, 2014. This discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and notes.

As a public comprehensive university located in a major metropolitan area, the University delivers innovative, student-centered education and engages in impactful scholarly and creative endeavors, all of which empower our graduates to have fulfilling careers and meaningful lives, while contributing to the economic, civic, and social vitality of the region.

Financial Highlights

For the year ended June 30, 2015, the University adopted Governmental Accounting Standards Board (GASB) Statement Nos. 68 and 71 which required governmental employers participating in a cost-sharing defined benefit pension plan to recognize their long-term obligation for pension benefits as a liability for the first time. As a participating employer in the Kentucky Employees Retirement System (KERS), the University reported a net pension liability of \$247.1 million as of June 30, 2016. The cumulative effect of the adoption of GASB 68 and GASB 71 in 2015 resulted in a decrease in the University's unrestricted net position at July 1, 2014 of \$210.4 million. In addition, as required under GASB 68, the University reported an additional \$9.3 million and \$4.5 million in pension expense for fiscal years 2016 and 2015, respectively, as compared to the previous reporting requirements. The combined impact of pension reporting changes resulted in a cumulative reduction of \$224.2 million in the University's unrestricted net position as of June 30, 2016. Excluding the impact of the pension reporting changes, the University's unrestricted net position would have decreased by \$2.6 million for the year ended June 30, 2016. This planned decline in unrestricted net position resulted from the expenditure of student fee reserves that were committed to the construction of the campus recreation center expansion.

The University's operating and nonoperating revenues totaled \$216.3 million for the year ended June 30, 2016, a decrease of \$5.1 million compared to 2015. Operating revenues declined by \$5.1 million for the year while nonoperating revenues remained unchanged for the year. Net tuition and fees decreased by \$3.7 million as a result of a \$4 million, or 11.8 percent, increase in scholarship allowances. The University's state appropriations remained unchanged at \$48.5 million for the year ended June 30, 2016. Operating and nonoperating expenses increased by \$6.0 million, or 2.6 percent, to a total of \$236.3 million for the year ended June 30, 2016, primarily due to an increase in pension expenses.

Construction has begun on the University's new transformative Health Innovations Center, which is scheduled to open in summer 2018. Last year, the University received an \$8 million gift commitment from St. Elizabeth Healthcare to help pay for the design and construction of a virtual care facility within the Center that will help students simulate medical procedures and facilitate transdisciplinary research at the University. The Center will increase the University's capacity to meet the growing demand for graduates in the health professions and management expects enrollment and the associated tuition revenues related to these programs to be positively impacted.

The University's state-funded endowments totaled \$11.8 million as of June 30, 2016. These funds, along with the private endowed gifts donated to benefit the University, are managed by Northern Kentucky University Foundation, Inc. (Foundation). The endowment funds managed by the Foundation, including the University's endowment funds, totaled \$89.6 million at June 30, 2016. For the five-year period ended June 30, 2016, the endowment funds managed by the Foundation have grown from \$69.9 million to \$89.6 million as a result of excellent investment returns and the receipt of several major endowment gifts. The growth in endowment funds has provided a significant increase in the funds available to support the University's mission.

Using the Financial Statements

The University's financial report includes three financial statements: the statement of net position; the statement of revenues, expenses and changes in net position and the statement of cash flows. These financial statements and accompanying footnotes are prepared in accordance with GASB principles, which establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a comprehensive, entity-wide basis to focus on the University as a whole.

The University is a component unit of the Commonwealth of Kentucky. The financial statements of the University include the University and its blended component unit, the Northern Kentucky University Research Foundation, Inc. (Research Foundation). Financial statements for the University's discretely presented component unit, Northern Kentucky University Foundation, Inc., have also been included in accordance with GASB pronouncements. Financial statements presented for the Foundation consist of the

consolidated statement of financial position and the consolidated statement of activities. These statements are prepared in accordance with Financial Accounting Standards Board (FASB) pronouncements.

Statement of Net Position

The statement of net position reflects the financial position of the University as of June 30, 2016, with comparative information as of June 30, 2015, and includes all assets, deferred outflows and inflows of resources, liabilities and net position. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Net position, consisting of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, is one indicator of the current financial condition of the University. Assets, liabilities, deferred inflows and outflows of resources are generally measured using current values. A major exception is capital assets, which are stated at historical cost less accumulated depreciation.

A summary of the University's net financial position at June 30, 2016, 2015 and 2014 follows:

Condensed Statements of Net Position (in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Current assets	\$ 108,931	\$ 111,918	\$ 108,879
Capital assets, net	346,038	335,618	315,411
Noncurrent assets	30,595	38,559	71,455
Total assets	<u>485,564</u>	<u>486,095</u>	<u>495,745</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>28,160</u>	<u>13,446</u>	<u>1,079</u>
LIABILITIES			
Current liabilities	38,806	37,279	36,520
Noncurrent liabilities	379,968	363,964	148,688
Total liabilities	<u>418,774</u>	<u>401,243</u>	<u>185,208</u>
DEFERRED INFLOWS OF RESOURCES	<u>4,636</u>	<u>5,515</u>	<u>1,522</u>
NET POSITION			
Net investment in capital assets	222,068	211,004	212,906
Restricted			
Nonexpendable	7,616	7,616	7,616
Expendable	5,726	7,374	5,631
Unrestricted	(145,096)	(133,211)	83,941
Total net position	<u>\$ 90,314</u>	<u>\$ 92,783</u>	<u>\$ 310,094</u>

Assets

The University's assets decreased by \$0.5 million, or 0.1 percent, for the year ended June 30, 2016 and now total \$485.6 million. Current assets declined by \$3.0 million for the year ended June 30, 2016 primarily due to a decrease in cash and cash equivalents reserves that were committed to the construction of the campus recreation center expansion, which opened in fiscal year 2016. Noncurrent cash and cash equivalents declined by \$5.0 million resulting from the expenditure of bond proceeds for the construction of the campus recreation center expansion.

Net capital assets increased by \$10.4 million for the year ended June 30, 2016 and \$20.2 million the prior year, resulting in a combined increase of \$30.6 million, or 9.7 percent, since June 30, 2014. This increase is the net result of a \$71.0 million increase in capitalized construction project costs, land improvements, equipment and other capital assets, less \$40.4 million in depreciation. Net capital assets totaled \$346.0 million, or 71.4 percent of total assets as of June 30, 2016.

Deferred Outflows of Resources

Deferred outflows of resources totaled \$28.2 million and \$13.4 million as of June 30, 2016 and 2015, respectively. Deferred outflows of resources related to the University's defined benefit pension plan totaled \$25.4 million and \$12.5 million as of June 30, 2016 and 2015, respectively. The deferred outflows of resources that represent the unamortized difference between the reacquisition price and the net carrying amount of refunded debt totaled \$2.8 million and \$0.9 million at June 30, 2016 and 2015, respectively.

Liabilities

At June 30, 2016, the University's liabilities totaled \$418.8 million compared to the previous year's \$401.2 million. This increase in liabilities is attributable to a \$22.7 million increase in the University's net pension liability related to its participation in the Kentucky Employees Retirement System (KERS). The University's net pension liability grew from \$224.4 million as of June 30, 2015 to \$247.1 million as of June 30, 2016.

Noncurrent liabilities, excluding the pension liability, declined by \$6.7 million for the year as a result of a decrease in outstanding bonds, notes and capital leases. Bonds, notes and capital leases payable, net of discounts and premiums, totaled \$126.7 million and \$132.2 million at June 30, 2016 and 2015, respectively.

Deferred Inflows of Resources

The University's deferred inflows of resources totaled \$4.6 million and \$5.5 million as of June 30, 2016 and 2015, respectively. Deferred inflows of resources related to the University's defined benefit pension plan totaled \$2.6 million and \$3.0 million as of June 30, 2016 and 2015, respectively. Deferred inflows of resources related to service concession agreements between the University and a food service provider totaled \$2.0 million at June 30, 2016, a decline of \$0.5 million from the prior year.

Net Position

Net position represents the difference between the University's total of assets and deferred outflows of resources and the total of liabilities and deferred inflows of resources. The University's net position totaled \$90.3 million and \$92.8 million at June 30, 2016 and 2015, respectively. The cumulative effect of the adoption of GASB 68 and GASB 71 resulted in a decrease in the University's unrestricted net position at July 1, 2014 of \$210.4 million. In addition, as required under GASB 68, the University reported an additional \$9.3 million in pension expense for fiscal year 2016 and an additional \$4.5 million in 2015 as compared to the previous reporting requirements. The combined impact of pension reporting changes resulted in a cumulative reduction of \$224.2 million in the University's unrestricted net position as of June 30, 2016. Excluding the impact of the pension reporting changes, the University's unrestricted net position would have decreased by \$2.6 million for the year ended June 30, 2016. This planned decline in unrestricted net position resulted from the expenditure of student fee reserves that were committed to the construction of the campus recreation center expansion.

Net invested in capital assets totaled \$222.1 million and \$211.0 million at June 30, 2016 and 2015, respectively. This \$11.1 million increase is primarily attributable to the expenditure of state capital appropriations for the construction of the Health Innovations Center. Endowment investment losses and spending contributed to a \$1.6 million decline in restricted expendable net position.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. GASB requires state appropriations and nonexchange grants and contracts to be classified as nonoperating revenues. Accordingly, the University will generate an operating loss prior to the addition of nonoperating revenues.

This statement is prepared on the accrual basis of accounting whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

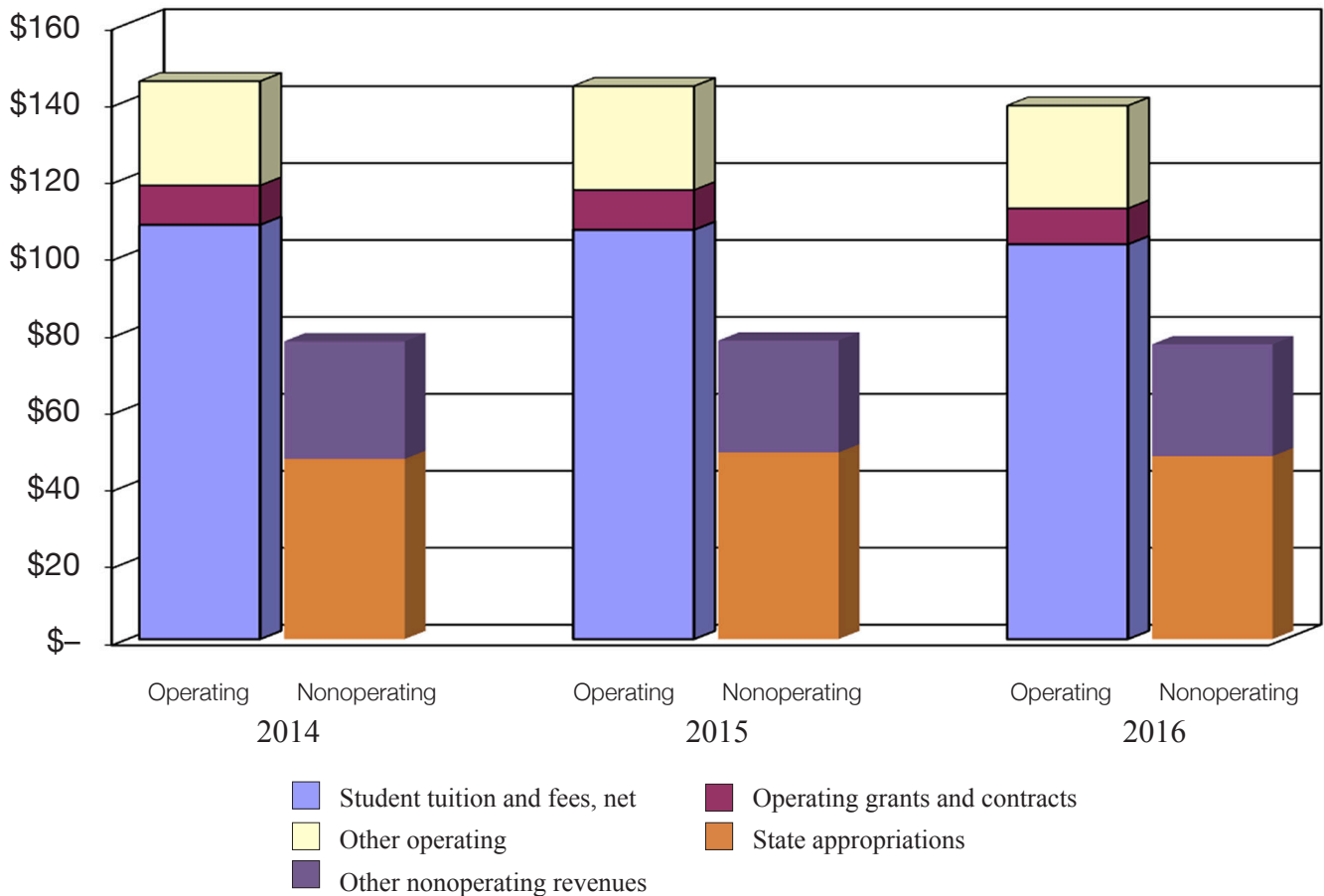
A summarized comparison of the University's revenues, expenses and changes in net position for years ended June 30, 2016, June 30, 2015 and June 30, 2014 follows:

Condensed Statements of Revenues, Expenses and Changes in Net Position (in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
OPERATING REVENUES			
Student tuition and fees, net	\$ 102,670	\$ 106,415	\$ 107,716
Grants and contracts	9,334	10,373	10,253
Sales and services of educational departments	4,380	4,529	5,470
Auxiliary enterprises	15,222	15,312	14,177
Other operating revenues	7,083	7,124	7,423
Total operating revenues	<u>138,689</u>	<u>143,753</u>	<u>145,039</u>
OPERATING EXPENSES			
Educational and general	203,064	198,909	194,678
Depreciation	17,387	16,375	16,475
Auxiliary enterprises (including depreciation)	11,155	11,113	8,734
Other expenses	41	33	101
Total operating expenses	<u>231,647</u>	<u>226,430</u>	<u>219,988</u>
Net loss from operations	<u>(92,958)</u>	<u>(82,677)</u>	<u>(74,949)</u>
NONOPERATING REVENUES (EXPENSES)			
State appropriations	48,538	48,538	46,835
Gifts, grants and contracts	29,085	28,488	28,179
Investment income (loss)	(4)	594	2,406
Interest on capital asset-related debt	(4,179)	(3,800)	(3,381)
Other nonoperating revenues (expenses)	(453)	(97)	(607)
Net nonoperating revenues	<u>72,987</u>	<u>73,723</u>	<u>73,432</u>
Income (loss) before other revenues, expenses, gains or losses	<u>(19,971)</u>	<u>(8,954)</u>	<u>(1,517)</u>
Capital appropriations	17,013	1,968	-
Capital grants and gifts	489	111	281
Total other revenues	<u>17,502</u>	<u>2,079</u>	<u>281</u>
Increase (decrease) in net position	<u>(2,469)</u>	<u>(6,875)</u>	<u>(1,236)</u>
Net position-beginning of year, as previously reported	92,783	310,094	311,330
Cumulative effect of change in accounting principle	-	(210,436)	-
Net position-beginning of year, as restated	92,783	99,658	311,330
Net position-end of year	<u>\$ 90,314</u>	<u>\$ 92,783</u>	<u>\$ 310,094</u>

Operating and Nonoperating Revenues

The following chart illustrates the University's revenues by source (both operating and nonoperating), which were used to fund its operating activities for fiscal years 2014, 2015 and 2016. Significant recurring sources of revenues, including state appropriations and nonexchange grants and contracts, are considered nonoperating revenues as defined by GASB. These revenues support operating expenses; therefore, they are included in the graph of revenues by source (presented in millions).



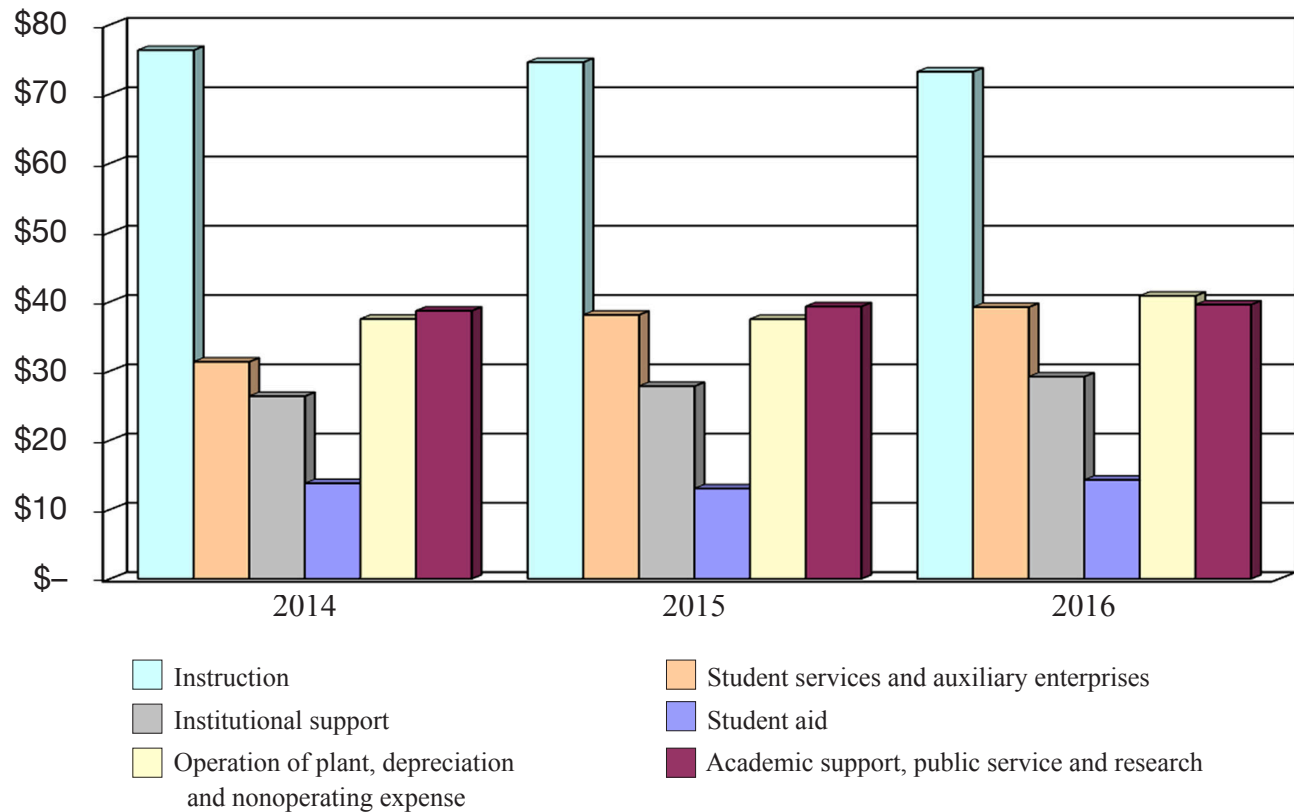
The University's operating and nonoperating revenues totaled \$216.3 million for the year ended June 30, 2016, a decrease of \$5.1 million compared to 2015. Operating revenues totaled \$138.7 million, or 64.1 percent of revenues, while nonoperating revenues totaled \$77.6 million, or 35.9 percent of revenues, for the year. The most significant sources of revenue for the University are net student tuition and fees (47.5 percent) and state appropriations (22.4 percent).

Operating revenues declined by \$5.1 million for the year. Net tuition and fees decreased by \$3.7 million as a result of a \$4 million, or 11.8 percent, increase in scholarship allowances. Operating grants and contracts declined by \$1.0 million primarily due to a decrease in state grants and contract revenue for the year. In addition, sales and services of educational departments, auxiliary enterprises and other operating revenues declined slightly for the year. Operating revenues have decreased by \$6.4 million since 2014 primarily due to a \$5.0 million decline in net tuition which was driven by a \$5.9 million increase in scholarship allowances since 2014.

Nonoperating revenues remained unchanged at \$77.6 million for the year. The University's state appropriations remained unchanged at \$48.5 million for the year ended June 30, 2016. The University's state nonoperating grant revenues increased by \$1.2 million for the year due to a \$1.2 million increase in state financial aid program revenues, including increases in need-based aid (\$1.0 million) and merit scholarships (\$0.2 million). The University's federal nonoperating grant revenues decreased by \$0.6 million for the year due to a \$0.6 million decrease in federal financial aid program revenues. A decline in endowment investment earnings resulted in a \$0.6 million decrease in investment income for the year.

Operating and Nonoperating Expenses

The following chart illustrates the University's expenses by function (both operating and nonoperating) for fiscal years 2014, 2015 and 2016 (presented in millions).



Operating and nonoperating expenses increased by \$6.0 million, or 2.6 percent, to a total of \$236.3 million for the year ended June 30, 2016. The adoption of GASB 68 and GASB 71 had a significant impact on the University's expenses reported for the years ended June 30, 2016 and 2015 as compared to fiscal year 2014, which does not reflect the impact of GASB 68 and 71. For fiscal years 2016 and 2015 the University recognized pension expenses, as required under GASB 68 and 71, of \$21.5 million and \$17.0 million, respectively. This \$4.5 million increase in pension expenses, combined with a \$1.2 million increase in depreciation expense, contributed to a \$5.2 million increase in operating expenses for the year ended June 30, 2016.

Instruction expenses decreased by \$1.4 million, or 1.8 percent, for the year ended June 30, 2016 primarily due to the closure of an educational services unit and a reduction in staff salaries and benefits. Student services increased by \$1.1 million resulting from expenses related to the opening of the new campus recreation center expansion and an increase in pension expenses. These expenses were partially offset by a reduction in intercollegiate athletic league fees. Institutional support expenses increased by \$1.4 million primarily due to an increase in pension expenses. Increases in personnel expenses, including pension expenses, contributed to a \$1.6 million increase in operation and maintenance of plant. Student aid expenses increased by \$1.2 million as a result of an increase in institutionally and state funded financial aid programs. Interest expense increased by \$0.4 million for the year due to an increase in interest expense related to bonds issued for the campus recreation center expansion.

Statement of Cash Flows

Another important factor to consider when evaluating financial viability is the University's ability to meet financial obligations as they become due. The statement of cash flows presents information related to cash inflows and outflows, summarized by operating, noncapital financing, capital and related financing, and investing activities. A comparative summary of the University's statements of cash flows for the years ended June 30, 2016, 2015 and 2014 follows:

Condensed Statements of Cash Flows (in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net cash provided (used) by:			
Operating activities	\$ (62,675)	\$ (57,237)	\$ (52,042)
Noncapital financing activities	76,673	77,106	68,876
Capital and related financing activities	(28,418)	(50,345)	22,877
Investing activities	2,892	(1,227)	2,812
Net increase (decrease) in cash and cash equivalents	<u>(11,528)</u>	<u>(31,703)</u>	<u>42,523</u>
Cash and cash equivalents, beginning of year	121,677	153,380	110,857
Cash and cash equivalents, end of year	<u>\$ 110,149</u>	<u>\$ 121,677</u>	<u>\$ 153,380</u>

The University's cash and cash equivalents decreased by \$11.5 million in 2016 and \$31.7 million in 2015. Major sources of funds generated by operating activities in 2016 included student tuition and fees (\$101.9 million), grants and contracts (\$9.3 million) and auxiliary enterprises (\$14.7 million). The largest cash payments for operating activities were made to employees (\$144.9 million) and to vendors and contractors (\$54.4 million). Net cash used by operating activities increased by \$5.4 million for the year primarily due to declines in cash provided by tuition and fees, grants and contracts and auxiliary enterprises. Cash provided by net tuition and fees declined by \$3.0 million for the year while cash provided by grants and contracts fell by \$1.3 million.

Net cash provided by noncapital financing activities decreased by \$0.4 million for the year ended June 30, 2016. Cash used by capital and related financing activities totaled \$28.4 million for 2016. Purchases of capital assets totaling \$33.9 million were primarily funded by state capital appropriations for the health innovations center and bonds issued in 2014 to finance an expansion of the campus recreation center and a student housing project.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2016, capital assets, net of accumulated depreciation, totaled \$346.0 million, or 71.4 percent of total assets. Net capital assets increased by \$10.4 million and \$20.2 million for the years ended June 30, 2016 and 2015, respectively. Additions to capital assets, net of disposals, during the year ended June 30, 2016 totaled \$31.2 million, including the expansion and renovation of the University's campus recreation center. Depreciation expenses totaled \$20.8 million for the year ended June 30, 2016. Additions to capital assets, net of disposals, during the year ended June 30, 2015 totaled \$39.8 million, including the renovation of student housing and dining facilities and the expansion and renovation of the University's campus recreation center. Depreciation expenses totaled \$19.6 million for the year ended June 30, 2015.

The Kentucky General Assembly approved a \$97.0 million capital appropriation to the University in its 2014-16 biennial budget to fund the construction of a state-of-the-art Health Innovations Center and to renovate Founders Hall. At June 30, 2016, the construction is underway and the project is expected to be completed in summer 2018.

Debt

The following is a summary of the University's outstanding capital debt summarized by trust indenture and type as of June 30, 2016, 2015 and 2014 (in thousands):

	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Receipts Bonds, net of discounts and premiums	\$ 124,636	\$ 128,795	\$ 134,923
Housing and Dining System Revenue Bonds	965	1,140	1,310
Notes payable and municipal lease obligations	1,134	2,283	5,110
	<u>\$ 126,735</u>	<u>\$ 132,218</u>	<u>\$ 141,343</u>

The University issued bonds in May 2016 to refund \$26.7 million of the outstanding General Receipts Bonds 2007 Series A. The refunding reduced the University's total debt service payments over the remaining term of the bonds by \$2.8 million resulting in a present value savings of \$2.5 million. The University also made principal payments of \$7.4 million on bonds, notes and municipal lease obligations for the year. For the year ended June 30, 2015, the University did not issue any new debt and retired \$9.1 million of bonds, notes and municipal lease obligations resulting in a \$9.1 million reduction in outstanding debt for the year.

A strong debt rating is an important indicator of the University's financial health. The current bond ratings assigned by Moody's Investors Service (A1-stable) to the University's General Receipts bonds reflect the University's solid financial position.

ECONOMIC FACTORS IMPACTING FUTURE PERIODS

The University's 2013-18 Strategic Plan, *Fuel the Flame*, established an objective to "develop an all-funds approach and ensure budget processes align resources with strategic goals." During fiscal year 2014-15, the University engaged in a process to develop a new budget model. The decision was made to transition to a decentralized, incentive-based approach to budgeting. The new budget approach will provide incentives that empower colleges to engage in entrepreneurial activities and focus on enrollment growth and retention with the goal of increasing tuition and alternative revenue sources. The new model is expected to be in full operation for fiscal year 2018.

In accordance with HB 303, a performance funding working group was established for the purpose of developing a funding model for the allocation of state General Fund appropriations for institutional operations. The funding model should incorporate elements of campus performance, mission, and enrollment, as well as any other components as determined through the process. The model should include metrics that align with the goals of the Postsecondary Education Improvement Act of 1997 with appropriate differentiation that reflects the missions of the Commonwealth's research universities, comprehensive regional universities, and community and technical colleges. The working group should complete its work and provide to the Governor and the Interim Joint Committee on Education a report setting forth its recommendations no later than December 1, 2016.

An executive order issued in April 2016 resulted in a \$1.0 million, or 2.0 percent, reduction in the University's fiscal year 2016 state appropriations. The Kentucky Attorney General filed suit in April to overturn the budget reduction. In September 2016, the Supreme Court of Kentucky overturned the budget reduction. As a result, the University recognized the full \$48.5 million appropriation that had been appropriated by the General Assembly, including the \$1.0 million budget reduction that was restored.

The 2016-18 biennial budget passed by the General Assembly reflected an across-the-board cut of 4.5 percent per year, or 9 percent total cut for the biennium, for all public universities. The General Assembly also appropriated an additional \$5.1 million to the University in fiscal year 2018 to help address the funding disparity between the University and the other comprehensive public universities. As a result, although the University's 2017 appropriation was reduced to \$46.4 million, the University's 2018 appropriation will increase to \$48.9 million as a result of the additional funds appropriated for 2018. In addition to the funds appropriated directly to the universities, the University will have an opportunity to receive additional appropriations based on the performance funding model that is currently being developed. The General Assembly set aside 5.0 percent of the total general fund appropriations for eight of the nine public postsecondary education institutions to distribute to the universities in 2018 based on their respective performance. If the University reaches its performance goals the University would receive an additional \$2.6 million in 2018.

The University's Board of Regents approved a 3.0 percent increase in undergraduate resident tuition rates for fiscal year 2017. This increase was approved by the Council on Postsecondary Education.

The University's state-funded endowments totaled \$11.8 million as of June 30, 2016. These funds, along with the private endowed gifts donated to benefit the University, are managed by the Northern Kentucky University Foundation. The endowment funds managed by the Foundation, including the University's endowment funds, totaled \$89.6 million at June 30, 2016. For the five-year period ended June 30, 2016, the endowment funds managed by the Foundation have grown from \$69.9 million to \$89.6 million as a result of excellent investment returns and the receipt of several major endowment gifts. The growth in endowment funds has provided a significant increase in the funds available to support the University's mission.

Construction has begun on the University's new transformative Health Innovations Center, which is scheduled to open in summer 2018. Last year, the University received an \$8 million gift commitment from St. Elizabeth Healthcare to help pay for the design and construction of a virtual care facility within the Center that will help students simulate medical procedures and facilitate transdisciplinary research at the University. The Center will increase the University's capacity to meet the growing demand for graduates in the health professions and management expects enrollment and the associated tuition revenues related to these programs to be positively impacted.

For the year ended June 30, 2015, the University adopted GASB 68 and 71, which requires governmental employers participating in

a cost-sharing defined benefit pension plan to recognize their long-term obligation for pension benefits as a liability for the first time. As a participating employer in the Kentucky Employees Retirement System (KERS), the University reported a net pension liability of \$247.1 million as of June 30, 2016. The cumulative effect of the adoption of GASB 68 and GASB 71 in 2015 resulted in a decrease in the University's unrestricted net position at July 1, 2014 of \$210.4 million. In addition, as required under GASB 68, the University reported an additional \$9.3 million in pension expense for fiscal year 2016 and an additional \$4.5 million in 2015 as compared to the previous reporting requirements. The combined impact of pension reporting changes resulted in a cumulative reduction of \$224.2 million in the University's unrestricted net position as of June 30, 2016 as compared to the previous reporting requirements. The University's required contribution rate for fiscal years 2017 and 2018 is 48.6 percent of covered payroll for all of its employees that participate in KERS. The Commonwealth and the University continue to face budget challenges, including funding the state pension systems.

In summary, while the impact of the new pension reporting requirements on the University's unrestricted net position is significant, the University continues to show solid operating performance as measured by cash flows. The University is in the process of implementing new and enhanced strategies around enrollment and financial aid. These strategies are designed to increase enrollment, support students from diverse backgrounds, increase student retention rates, maintain academic quality, and increase net tuition revenue. Management is also continuing its efforts to diversify revenue sources, contain costs and redirect resources to core mission priorities. The new budget model and associated budget approach will further enhance these efforts. The continued growth in funds provided through endowments, gifts, and other sources of revenues will be essential as the University strives to meet the needs of our students.

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Statements of Net Position
As of June 30, 2016 and 2015
(in thousands)

	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 92,868	\$ 99,352
Notes, loans and accounts receivable, net	13,389	9,973
Other current assets	2,674	2,593
Total current assets	108,931	111,918
Noncurrent Assets		
Cash and cash equivalents	17,281	22,325
Investments	11,795	14,692
Notes, loans and accounts receivable, net	1,369	1,421
Capital assets, net	346,038	335,618
Other noncurrent assets	150	121
Total noncurrent assets	376,633	374,177
Total assets	485,564	486,095
 DEFERRED OUTFLOWS OF RESOURCES	 28,160	 13,446
LIABILITIES		
Current Liabilities		
Accounts payable, accrued liabilities and deposits	23,995	23,509
Unearned revenue	6,537	5,998
Long-term liabilities-current portion	8,274	7,772
Total current liabilities	38,806	37,279
Noncurrent Liabilities		
Deposits	11,763	11,812
Unearned revenue	144	283
Long-term liabilities	120,980	127,491
Net pension liability	247,081	224,378
Total noncurrent liabilities	379,968	363,964
Total liabilities	418,774	401,243
 DEFERRED INFLOWS OF RESOURCES	 4,636	 5,515
NET POSITION		
Net investment in capital assets	222,068	211,004
Restricted		
Nonexpendable	7,616	7,616
Expendable	5,726	7,374
Unrestricted	(145,096)	(133,211)
Total net position	\$ 90,314	\$ 92,783

See accompanying notes to the financial statements

Northern Kentucky University Foundation, Inc.
Consolidated Statements of Financial Position

As of June 30, 2016 and 2015

(in thousands)

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 9,313	\$ 4,929
Loans and accounts receivable, net	90	228
Accrued interest receivable	-	9
Contributions receivable, net	8,391	2,347
Prepaid expenses and deferred charges	40	57
Investments	91,225	99,334
Land and land improvements	548	548
Accumulated depreciation	(208)	(208)
Total assets	109,399	107,244
LIABILITIES AND NET ASSETS		
Accounts payable	188	361
Annuities payable	140	148
Deferred income	27	26
Funds held in trust for Northern Kentucky University	11,795	12,692
Total liabilities	12,150	13,227
NET ASSETS		
Unrestricted		
For current operations	953	892
Amounts functioning as endowment funds	2,158	2,244
Invested in land and land improvements	340	340
Total unrestricted	3,451	3,476
Temporarily restricted		
Unexpended funds received for restricted purposes	9,535	7,867
Contributions receivable	7,355	2,042
Loan funds	216	173
Endowment funds	32,638	37,760
Total temporarily restricted	49,744	47,842
Permanently restricted		
Contributions receivable	1,036	305
Endowment funds	43,018	42,394
Total permanently restricted	44,054	42,699
Total net assets	97,249	94,017
Total liabilities and net assets	\$ 109,399	\$ 107,244

See accompanying notes to the financial statements

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2016 and 2015
(in thousands)

	2016	2015
OPERATING REVENUES		
Student tuition and fees (net of scholarship allowances of \$38,235 in 2016 and \$34,194 in 2015)	\$ 102,670	\$ 106,415
Federal grants and contracts	3,394	3,566
State and local grants and contracts	3,199	3,890
Nongovernmental grants and contracts	2,741	2,917
Sales and services of educational departments	4,380	4,529
Auxiliary enterprises		
Housing and food service (net of scholarship allowances of \$1,669 in 2016 and \$1,117 in 2015)	11,494	11,327
Other auxiliaries	3,728	3,985
Other operating revenues	7,083	7,124
Total operating revenues	138,689	143,753
OPERATING EXPENSES		
Educational and general		
Instruction	73,211	74,586
Research	1,574	1,671
Public service	13,848	13,473
Libraries	6,006	6,011
Academic support	18,148	18,165
Student services	28,019	26,955
Institutional support	29,175	27,808
Operation and maintenance of plant	18,820	17,212
Depreciation	17,387	16,375
Student aid	14,263	13,028
Auxiliary enterprises		
Housing and food service	6,376	6,568
Other auxiliaries	1,389	1,316
Auxiliary depreciation	3,390	3,229
Other expenses	41	33
Total operating expenses	231,647	226,430
Net income (loss) from operations	(92,958)	(82,677)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	48,538	48,538
Federal grants and contracts	18,955	19,514
State and local grants and contracts	10,119	8,963
Private gifts and grants	11	11
Investment income (loss)	(4)	594
Interest on capital asset-related debt	(4,179)	(3,800)
Other nonoperating revenues (expenses)	(453)	(97)
Net nonoperating revenues	72,987	73,723
Income (loss) before other revenues, expenses, gains or losses	(19,971)	(8,954)
Capital appropriations	17,013	1,968
Capital grants and gifts	489	111
Total other revenues	17,502	2,079
Increase (decrease) in net position	(2,469)	(6,875)
NET POSITION		
Net position-beginning of year, as previously reported	92,783	310,094
Cumulative effect of change in accounting principle	-	(210,436)
Net position-beginning of year, as restated	92,783	99,658
Net position-end of year	\$ 90,314	\$ 92,783

See accompanying notes to the financial statements

Northern Kentucky University Foundation, Inc.
Consolidated Statement of Activities
For the Year Ended June 30, 2016
(in thousands)

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT				
Gifts and bequests	\$ 3	\$ 10,298	\$ 1,375	\$ 11,676
Rental income	126	-	-	126
Investment return	(42)	(2,393)	-	(2,435)
Other revenue	106	281	-	387
Total revenues and gains	193	8,186	1,375	9,754
Net assets released from restrictions	6,135	(6,135)	-	-
Reclassifications of net assets	-	-	-	-
Total revenues, gains and other support	<u>6,328</u>	<u>2,051</u>	<u>1,375</u>	<u>9,754</u>
EXPENSES AND LOSSES				
Program Expenses				
Instruction	1,011	-	-	1,011
Research	24	-	-	24
Public service	475	-	-	475
Libraries	11	-	-	11
Academic support	598	-	-	598
Student services	514	-	-	514
Institutional support	821	-	-	821
University facilities and equipment acquisition	167	-	-	167
Student financial aid	2,011	-	-	2,011
Other program expenses and losses	-	149	20	169
Total program expenses	5,632	149	20	5,801
Support Expenses				
Management and general	591	-	-	591
Fund raising support	129	-	-	129
Rental property	1	-	-	1
Total support expenses	721	-	-	721
Total expenses and losses	6,353	149	20	6,522
Increase (decrease) in net assets	(25)	1,902	1,355	3,232
Net assets-beginning of year	3,476	47,842	42,699	94,017
Net assets-end of year	<u>\$ 3,451</u>	<u>\$ 49,744</u>	<u>\$ 44,054</u>	<u>\$ 97,249</u>

See accompanying notes to the financial statements

Northern Kentucky University Foundation, Inc.
Consolidated Statement of Activities
For the Year Ended June 30, 2015
(in thousands)

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT				
Gifts and bequests	\$ 8	\$ 3,374	\$ 1,361	\$ 4,743
Rental income	119	-	-	119
Investment return	61	1,450	-	1,511
Other revenue	62	286	-	348
Total revenues and gains	250	5,110	1,361	6,721
Net assets released from restrictions	6,897	(6,897)	-	-
Reclassifications of net assets	-	(28)	28	-
Total revenues, gains and other support	<u>7,147</u>	<u>(1,815)</u>	<u>1,389</u>	<u>6,721</u>
EXPENSES AND LOSSES				
Program Expenses				
Instruction	1,089	-	-	1,089
Research	35	-	-	35
Public service	601	-	-	601
Libraries	28	-	-	28
Academic support	606	-	-	606
Student services	321	-	-	321
Institutional support	781	-	-	781
University facilities and equipment acquisition	44	-	-	44
Student financial aid	2,889	-	-	2,889
Other program expenses and losses	-	135	-	135
Total program expenses	<u>6,394</u>	<u>135</u>	<u>-</u>	<u>6,529</u>
Support Expenses				
Management and general	631	-	-	631
Fund raising support	92	-	-	92
Total support expenses	<u>723</u>	<u>-</u>	<u>-</u>	<u>723</u>
Total expenses and losses	7,117	135	-	7,252
Increase (decrease) in net assets	30	(1,950)	1,389	(531)
Net assets-beginning of year	<u>3,446</u>	<u>49,792</u>	<u>41,310</u>	<u>94,548</u>
Net assets-end of year	<u>\$ 3,476</u>	<u>\$ 47,842</u>	<u>\$ 42,699</u>	<u>\$ 94,017</u>

See accompanying notes to the financial statements

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Statement of Cash Flows
For the Year Ended June 30, 2016 and 2015
(in thousands)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 101,857	\$ 104,896
Grants and contracts	9,259	10,592
Payments to suppliers	(54,407)	(53,856)
Payments for salaries and benefits	(144,867)	(146,307)
Loans issued to students	(682)	(403)
Collection of loans to students	383	521
Auxiliary enterprise receipts:		
Housing operations	11,380	11,110
Other auxiliaries	3,279	4,273
Sales and service of educational departments	4,336	4,590
Other receipts (payments)	6,787	7,347
Net cash provided (used) by operating activities	(62,675)	(57,237)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	47,567	48,538
Gifts and grants for other than capital purposes	29,125	28,574
Agency and loan program receipts	85,473	88,223
Agency and loan program disbursements	(85,489)	(88,132)
Other nonoperating receipts (payments)	(3)	(97)
Net cash provided (used) by noncapital financing activities	76,673	77,106
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital debt and leases	28,507	-
Capital appropriations	14,450	1,670
Capital grants, gifts, and advances received	498	101
Purchases of capital assets	(33,935)	(39,810)
Proceeds from sale of capital assets	2,600	-
Principal paid on capital debt and leases	(7,404)	(8,326)
Bond refund escrow payment	(28,189)	-
Interest paid on capital debt and leases	(4,633)	(3,980)
Bond issuance costs	(312)	-
Net cash provided (used) by capital and related financing activities	(28,418)	(50,345)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	2,452	179
Purchase of investments	(161)	(2,000)
Interest on investments	601	594
Net cash provided (used) by investing activities	2,892	(1,227)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,528)	(31,703)
Cash and cash equivalents-beginning of year	121,677	153,380
Cash and cash equivalents-end of year	\$ 110,149	\$ 121,677
RECONCILIATION OF NET INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Net income (loss) from operations	\$ (92,958)	\$ (82,677)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation expense	20,777	19,604
Deferred inflows of resources	(879)	3,373
Deferred outflows of resources	(12,984)	(5,019)
Changes in assets and liabilities:		
Receivables, net	144	700
Other assets	(108)	(500)
Accounts payable	755	1,318
Unearned revenue	400	(366)
Long-term liabilities	(525)	(175)
Net pension liability	22,703	6,505
Net cash provided (used) by operating activities	\$ (62,675)	\$ (57,237)

See accompanying notes to the financial statements

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Notes to the Financial Statements
For the Years Ended June 30, 2016 and 2015

Note 1 – Organization and Summary of Significant Accounting Policies

a. Reporting Entity

Northern Kentucky University (the University) is a component unit of the Commonwealth of Kentucky (Commonwealth) and is included in the general-purpose financial statements of the Commonwealth. The financial statements of the University include the operations of the Northern Kentucky University Research Foundation (Research Foundation) which is a legally separate, tax-exempt organization supporting the University. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, the Research Foundation is reported as a blended component unit of the University and condensed financial information is provided in Note 12.

The Northern Kentucky University Foundation, Inc. (the Foundation) is a legally separate, tax-exempt organization supporting the University. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The Foundation's Board of Directors is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources the Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

The accompanying financial statements do not include the financial position or operating results of the Chase College Foundation, Inc. This foundation is a separately incorporated not-for-profit entity organized for the purpose of promoting the educational mission of the University's Salmon P. Chase College of Law. Although this entity benefits the University's Salmon P. Chase College of Law, it is governed by an independent Board of Directors and is not controlled by the University.

b. Basis of Presentation

The accompanying financial statements of the University have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB. In accordance with GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* (GASB 35) and subsequent standards issued by GASB, the University has elected to report as an entity engaged in business-type activities (BTA). BTAs are those activities that are financed in whole or part by fees charged to external parties for goods and services. GASB 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories:

- **Net investment in capital assets:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted:**
 - Nonexpendable* – Net position subject to externally imposed stipulations that they be maintained permanently by the University.
 - Expendable* – Net position whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time. Expendable net position consists primarily of amounts for specified capital construction projects.
- **Unrestricted:** Net position whose use by the University is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Regents or may otherwise be limited by contractual agreements with outside parties.

The financial statement presentation required by GASB is intended to provide a comprehensive, entity-wide perspective of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position and cash flows.

c. Accrual Basis

The financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

d. Cash and Cash Equivalents

Cash and cash equivalents include all readily available sources of cash such as petty cash, demand deposits, certificates of deposit and temporary investments in marketable debt securities with original maturities less than three months. Funds held by the Commonwealth are also considered cash equivalents.

e. Notes, Loans and Accounts Receivable

This classification consists of tuition and fee charges to students, charges for auxiliary enterprise services provided to students, faculty and staff, loans to students, state appropriations due from the Commonwealth and amounts due from sponsors for reimbursement of expenses made pursuant to contracts and grants. Accounts receivable are recorded net of estimated uncollectible amounts based upon a review of outstanding receivables, historical collection information and existing economic conditions.

f. Capital Assets

Capital assets are stated at cost at date of acquisition or, in the case of gifts, at fair market value at date of gift. Equipment with a unit cost of \$5,000 or more and having an estimated useful life of greater than one year is capitalized. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The University capitalizes interest costs as a component of construction in progress based on the interest cost of borrowing specifically for the project, net of interest earned on investments acquired with the proceeds of the borrowing. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Depreciation of capital assets is computed on a straight-line basis over the estimated useful lives of the respective assets, generally 40 years for land improvements, 10 – 40 years for buildings and fixed equipment, 10 years for library books and 3 – 10 years for equipment. The University capitalizes, but does not depreciate, works of art and historical treasures that are held for exhibition, education, research and public service or intangible assets with an indefinite life. Indefinite life intangible assets are reviewed annually for impairment. If the fair value of the asset is less than the carrying amount, an impairment loss is recognized for the difference.

g. Compensated absences

University policies permit employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Sick leave benefits are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

h. Investments

Investments in equity and debt securities are carried at fair value. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit are carried at cost. Investment income consists of interest and dividend income, realized gains and losses and the net change for the year in the fair value of investments carried at fair value.

i. Unearned Revenue

Unearned revenue includes amounts received for tuition and fees prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenue also includes amounts received from grants and contracts sponsors that have not yet been earned.

j. Deposits

The University held noncurrent agency deposits of \$11,763,000 and \$11,812,000 as of June 30, 2016 and 2015, respectively for a wetland restoration fund pursuant to a memorandum of agreement with a federal agency. For the year ended June 30, 2016 additions to deposits were \$1,502,000 while reductions were \$1,551,000 resulting in a decrease of \$49,000 over the previous year. For the year ended June 30, 2015 additions to deposits were \$4,737,000 while reductions were \$4,622,000 resulting in an increase of \$115,000 over the previous year.

k. Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a loss in net position by the University that is applicable to a future reporting period. Deferred outflows of resources are reported in the statement of net position, but are not recognized in the financial statements as expense until in the related period. Deferred outflows of resources consist of \$2,720,000 and \$990,000 of losses on bond refundings for the years ended June 30, 2016 and 2015, respectively. The remaining balance of deferred outflows of resources for the years ending June 30, 2016 and 2015 consist of the KERS pension related unamortized balances.

A deferred inflow of resources is a gain in net position by the University that is applicable to a future reporting period. Deferred inflows of resources are reported in the statement of net position but are not recognized in the financial statements as revenue until

in the related period. The agreement between the University and the University's food service provider resulted in a deferred inflow of resources of \$2,034,000 and \$2,505,000 at June 30, 2016 and 2015, respectively. The deferred inflows of resources related to this agreement are recognized evenly over the life of the contract. The remaining deferred inflows of resources for the years ending June 30, 2016 and 2015 consist of the KERS pension related unamortized balances.

See Note 8 for details of pension related deferred outflows of resources and deferred inflows of resources.

l. Scholarship Allowances

Student tuition and fee revenues and other student related revenues are reported net of scholarship allowances in the statements of revenues, expenses and changes in net position. Scholarship allowances are the differences between the stated charge for services provided by the University, and the amounts that are paid by the students or third parties making payments on a student's behalf. To the extent that revenues from such programs are used to satisfy tuition and fees, and other student charges, the University has recorded a scholarship allowance.

m. Income Taxes

The University is an agency and instrumentality of the Commonwealth, pursuant to Kentucky Revised Statutes sections 164.290 through 164.475. Accordingly, the University is generally exempt from federal income taxes as an organization described in Section 115 of the Internal Revenue Code of 1986, as amended. The Research Foundation has received a determination from the Internal Revenue Service granting exemption from federal income taxation pursuant to the provisions of Internal Revenue Code section 501(c)(3).

n. Restricted Asset Spending Policy

The University's policy is that restrictions on assets cannot be fulfilled by the expenditure of unrestricted funds for similar purposes. The determination on whether restricted or unrestricted funds are expended for a particular purpose is made on a case-by-case basis. Restricted funds remain restricted until spent for the intended purpose.

o. Operating Activities

The University defines operating activities, as reported on the statements of revenues, expenses and changes in net position, as those that generally result from exchange transactions, such as payments received for providing goods and services and payments made for services and goods received. Nearly all of the University's expenses are from exchange transactions. Certain significant revenues relied upon for operations, such as state appropriations, gifts, and investment income, are recorded as nonoperating revenues, in accordance with GASB 35. In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* and related GASB implementation guidance, Pell Grants, College Access Program (CAP) Grants and Kentucky Educational Excellence Scholarship (KEES) are considered nonexchange transactions and are recorded as nonoperating revenues in the accompanying financial statements.

p. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

q. Component Unit Disclosure

The accompanying financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

See Note 13 for further details of related party transactions between the University and Foundation. Complete financial statements for the Foundation can be obtained from the Northern Kentucky University Foundation, Inc. at Lucas Administrative Center Room 221, Nunn Drive, Highland Heights, KY 41099.

r. Reclassifications

Certain items have been reclassified for the year ended June 30, 2015, in order to conform to classifications used for the year ended June 30, 2016. These reclassifications had no effect on total net position and the change in net position.

s. Change in Accounting Principle

During fiscal year 2015, the University adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

Governmental employers participating in a cost-sharing plan are required to report a net pension liability, pension expense and pension-related assets and liabilities based on their proportionate share of the collective amounts for all governments in the plan. Refer to Note 8 for the following required note disclosures:

- Descriptions of the plan and benefits provided
- Significant assumptions employed in the measurement of the net pension liability
- Descriptions of benefit changes and changes in assumptions
- Assumptions related to the discount rate and impact on the total pension liability of a 1 percentage point increase and decrease in the discount rate
- Net pension assets and liabilities

The objective of Statement No. 71 is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement were required to be applied simultaneously with the provisions of Statement 68.

The adoption of GASB Statements No. 68 and 71 resulted in a decrease in net position at July 1, 2014 of \$210,436,000. This change is in accordance with generally accepted accounting principles.

t. Recent Accounting Pronouncements

In June 2015, the GASB approved Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The objective of this Statement is to establish new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2017. The University is currently evaluating the effects of this statement on its financial statements.

Note 2 – Cash, Cash Equivalents and Investments

At June 30, 2016, petty cash funds totaled \$27,000 and the carrying amount of the deposits was \$110,122,000 with a corresponding total bank balance of \$125,374,000. Of the bank balance, \$31,564,000 was covered by federal depository insurance, or collateralized with securities held by the pledging bank, or bank’s agents, in the University’s name and \$93,810,000 was held and invested by the Commonwealth. These deposits were covered by federal depository insurance or by collateral held by the Commonwealth in the Commonwealth’s name.

Investments

The investments which the University may purchase are limited by the Commonwealth’s law and the University’s bond resolutions to the following (1) securities or obligations which are fully guaranteed by the U.S. Government or agencies of the U.S. Government as to principal and interest; (2) certificates of deposit or time deposits of banks, trust companies or national banking associations which are insured by the Federal Deposit Insurance Corporation; and (3) mutual funds investing solely in U.S. securities.

Custodial credit risk: Custodial credit risk for deposits is the risk that in the event of a bank failure, a government’s deposits or collateral securities may not be returned to it. The University currently uses commercial banks and the Commonwealth as its depositories. Deposits with commercial banks are substantially covered by federal depository insurance or collateral held by the bank in the University’s name. At the Commonwealth, the University’s accounts are pooled with other agencies of the Commonwealth. These Commonwealth-pooled deposits are substantially covered by federal depository insurance or by collateral held by the Commonwealth in the Commonwealth’s name. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The following schedule reports the fair values of the University’s investments at June 30, 2016 and 2015 (in thousands):

	<u>2016</u>	<u>2015</u>
Certificates of deposit	\$ -	\$ 2,000
Restricted assets held by the Foundation	11,795	12,692
Total Investments	<u>\$ 11,795</u>	<u>\$ 14,692</u>

The University's investments held by the Foundation are comprised of Regional University Excellence Trust Fund endowments and are invested in an investment pool managed by the Foundation. The investment in the pooled endowment is derived based on the per unit calculation and is deemed to be level 3. See Note 13 (c) for the required GASB fair value disclosures for the University's investments that are included in the Foundation's investment pool.

University assets in the Foundation investment pool at June 30, 2016 and 2015 are invested as follows:

	<u>2016</u>	<u>2015</u>
Type of Investment:		
Fixed income funds	14%	15%
Equity funds and common stock	59%	60%
Alternative investments	<u>27%</u>	<u>25%</u>
Total Investments	<u><u>100%</u></u>	<u><u>100%</u></u>

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As stated in the University's investment policy, the bond resolution governs the investment of bond reserves. The bond resolution limits the investment maturities by the lesser of the remaining life of the bond issue or ten years. Certificates of deposit can have a maturity of not more than two years from the date of issue.

Credit Risk: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The University's investment policy requires investments to be in compliance with state statute. University investments that are managed by the Foundation are governed by the Foundation's investment policy. This policy contains several provisions which are intended to limit credit risk, including a requirement that fixed income portfolios maintain a weighted average credit rating of at least AA (Standard and Poor's) and have no more than 10 percent of the portfolio in below investment grade bonds.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The University debt service reserves are invested by the bond trustees in accordance with the governing bond resolutions. There are no specific limits on the maximum amount of investment securities held in bond debt service reserve funds that may be invested in one issuer. However, such investments are limited to bonds or interest bearing notes of the U.S. government.

Foreign Currency Risk: This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The University had no investments denominated in foreign currency at June 30, 2016 or 2015, respectively.

Note 3 – Notes, Loans and Accounts Receivable

Notes, loans and accounts receivable as of June 30, 2016 and 2015 are as follows (in thousands):

	<u>2016</u>		
	<u>Gross</u>		<u>Net</u>
	<u>Receivable</u>	<u>Allowance</u>	<u>Receivable</u>
Student loans	\$ 2,269	\$ (662)	\$ 1,607
Student accounts receivable	10,981	(4,555)	6,426
Reimbursement receivable grants and contracts	1,210	-	1,210
State appropriations receivable	3,832	-	3,832
Other	2,832	(1,149)	1,683
Total	<u>\$ 21,124</u>	<u>\$ (6,366)</u>	<u>\$ 14,758</u>
Current portion			\$ 13,389
Noncurrent portion			1,369
Total			<u>\$ 14,758</u>

	2015		
	Gross		Net
	Receivable	Allowance	Receivable
Student loans	\$ 2,342	\$ (663)	\$ 1,679
Student accounts receivable	10,955	(4,638)	6,317
Reimbursement receivable grants and contracts	1,242	-	1,242
State appropriations receivable	298	-	298
Other	2,848	(990)	1,858
Total	<u>\$ 17,685</u>	<u>\$ (6,291)</u>	<u>\$ 11,394</u>
Current portion			\$ 9,973
Noncurrent portion			1,421
Total			<u>\$ 11,394</u>

Note 4 – Capital Assets, net

Capital assets for the years ended June 30, 2016 and 2015 are summarized as follows (in thousands):

	7/1/15			6/30/16
	Beginning	Additions	Reductions	Ending
	Balance			Balance
Cost:				
Indefinite life intangible assets	\$ 4,622	\$ -	\$ 416	\$ 4,206
Land	9,445	45	58	9,432
Land improvements	36,027	1,119	169	36,977
Buildings	405,492	51,519	8,961	448,050
Equipment	68,090	2,334	475	69,949
Library books	19,607	268	1,856	18,019
Construction in process	38,296	-	21,288	17,008
	<u>581,579</u>	<u>55,285</u>	<u>33,223</u>	<u>603,641</u>
Accumulated Depreciation:				
Land improvements	7,472	982	117	8,337
Buildings	169,202	13,975	6,817	176,360
Equipment	52,966	5,121	345	57,742
Library books	16,321	699	1,856	15,164
	<u>245,961</u>	<u>20,777</u>	<u>9,135</u>	<u>257,603</u>
Capital assets, net	<u>\$ 335,618</u>	<u>\$ 34,508</u>	<u>\$ 24,088</u>	<u>\$ 346,038</u>
	7/1/14			6/30/15
	Beginning	Additions	Reductions	Ending
	Balance			Balance
Cost:				
Indefinite life intangible assets	\$ 4,622	\$ -	\$ -	\$ 4,622
Land	9,347	98	-	9,445
Land improvements	34,744	1,286	3	36,027
Buildings	395,713	12,544	2,765	405,492
Equipment	67,072	1,287	269	68,090
Library books	19,673	458	524	19,607
Construction in process	14,021	24,275	-	38,296
	<u>545,192</u>	<u>39,948</u>	<u>3,561</u>	<u>581,579</u>
Accumulated Depreciation:				
Land improvements	6,513	961	2	7,472
Buildings	159,019	12,829	2,646	169,202
Equipment	48,132	5,086	252	52,966
Library books	16,117	728	524	16,321
	<u>229,781</u>	<u>19,604</u>	<u>3,424</u>	<u>245,961</u>
Capital assets, net	<u>\$ 315,411</u>	<u>\$ 20,344</u>	<u>\$ 137</u>	<u>\$ 335,618</u>

The estimated cost to complete construction under contract at June 30, 2016 was approximately \$63,532,000.

As of June 30, 2016 and 2015, the net book value of land, buildings and equipment acquired through capital leases included in the above schedules totaled \$2,730,000 and \$2,909,000 respectively, including buildings of \$2,722,000 and \$2,859,000, respectively.

Note 5 – Accounts Payable, Accrued Liabilities and Deposits

Accounts payable, accrued liabilities and deposits as of June 30, 2016 and 2015 are as follows (in thousands):

	<u>2016</u>	<u>2015</u>
Payable to vendors and contractors	\$ 12,246	\$ 11,761
Accrued expenses, primarily payroll and vacation leave	6,538	6,992
Employee withholdings and deposits payable to third parties	3,241	3,271
Self-insured health liability	1,301	1,099
Deposits	669	386
Total	<u>\$ 23,995</u>	<u>\$ 23,509</u>

Note 6 – Unearned Revenue

Unearned revenue as of June 30, 2016 and 2015 are as follows (in thousands):

	<u>2016</u>	<u>2015</u>
Unearned summer school revenue	\$ 5,277	\$ 4,502
Unearned grants and contracts revenue	497	629
Unearned auxiliary revenue	518	589
Other	389	561
Total	<u>\$ 6,681</u>	<u>\$ 6,281</u>
Current	\$ 6,537	\$ 5,998
Noncurrent	144	283
Total	<u>\$ 6,681</u>	<u>\$ 6,281</u>

Note 7 – Long-term Liabilities

The changes in long-term liabilities for the years ended June 30, 2016 and 2015 are summarized as follows (in thousands):

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Housing and Dining Revenue Bonds	\$ 1,140	\$ -	\$ 175	\$ 965	\$ 180	\$ 785
General Receipts Bonds (net of discounts and premiums)	128,795	28,507	32,666	124,636	6,838	117,798
Total bonds	129,935	28,507	32,841	125,601	7,018	118,583
Municipal lease obligations	2,217	-	1,128	1,089	1,089	-
Notes payable	66	-	21	45	22	23
Total notes and municipal leases	2,283	-	1,149	1,134	1,111	23
Deferred compensation	382	15	84	313	83	230
Federal portion of loan programs	1,954	-	364	1,590	-	1,590
KERS-sick leave	709	253	346	616	62	554
Total other liabilities	3,045	268	794	2,519	145	2,374
Total long-term liabilities	<u>\$ 135,263</u>	<u>\$ 28,775</u>	<u>\$ 34,784</u>	<u>\$ 129,254</u>	<u>\$ 8,274</u>	<u>\$ 120,980</u>
	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2015</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Housing and Dining Revenue Bonds	\$ 1,310	\$ -	\$ 170	\$ 1,140	\$ 175	\$ 965
General Receipts Bonds (net of discounts and premiums)	134,923	-	6,128	128,795	6,293	122,502
Total bonds	136,233	-	6,298	129,935	6,468	123,467
Municipal lease obligations	4,402	-	2,185	2,217	1,128	1,089
Notes payable	708	-	642	66	21	45
Total notes and municipal leases	5,110	-	2,827	2,283	1,149	1,134
Deferred compensation	456	9	83	382	84	298
Federal portion of loan programs	2,004	-	50	1,954	-	1,954
KERS-sick leave	695	14	-	709	71	638
Total other liabilities	3,155	23	133	3,045	155	2,890
Total long-term liabilities	<u>\$ 144,498</u>	<u>\$ 23</u>	<u>\$ 9,258</u>	<u>\$ 135,263</u>	<u>\$ 7,772</u>	<u>\$ 127,491</u>

a. Bonds

The gross revenues of the Housing and Dining system operations are pledged for the retirement of the Housing and Dining System Revenue Bonds. The \$210,000 reserve requirement for the Housing and Dining issue has been fully funded as of June 30, 2016. The \$348,000 required housing repair and replacement fund was fully funded as of June 30, 2016.

The outstanding obligation as of June 30, 2016 and 2015 for the Northern Kentucky University General Receipts Bonds are reported net of discounts totaling \$326,000 and \$782,000 and premiums of \$7,227,000 and \$4,782,000, respectively. General Receipts Bonds are collateralized by the operating and nonoperating income of the University excluding income which as a condition of the receipt is not available for payment of debt service charges.

On May 17, 2016, Northern Kentucky University General Receipts Bonds were issued in the amount of \$25,765,000 and a net interest cost of 2.32 percent. The proceeds partially refunded the General Receipts Bonds, 2007 Series A maturing on or after September 1, 2019. The refunding reduced the University's total debt service payments over the term by \$2,847,000, representing an economic gain of \$2,516,000. Economic gain is determined by calculating the difference between the present value of the debt service payments on the old and new debt. As of June 30, 2016, a deposit of \$28,214,000 is being held in escrow by the trustee to fund the debt service on the refunded portion of the 2007 Series A until the bonds are called for redemption on September 1, 2017.

The total bonds payable as of June 30 are as follows (in thousands):

	<u>2016</u>	<u>2015</u>
Housing and Dining System Revenue bonds payable		
Series B, dated November 1, 1980, with an interest rate of 3.00%. Final principal payment date November 1, 2020.	\$ 965	\$ 1,140
Total Housing and Dining System Revenue bonds payable	<u>965</u>	<u>1,140</u>
General Receipts bonds payable		
Series A 2007, dated May 23, 2007, with interest rates from 4.00% to 4.30%. Final principal payment date September 1, 2027.	6,905	35,775
Series A 2008, dated June 18, 2008, with interest rates from 3.00% to 4.38%. Final principal payment date September 1, 2028.	17,545	18,000
Series A 2010, dated June 29, 2010, with interest rates from 2.00% to 3.50%. Final principal payment date September 1, 2020.	1,785	2,195
Series B 2010, dated October 21, 2010, with interest rates from 2.00% to 3.75%. Final principal payment date September 1, 2027.	9,720	10,385
Series A 2011, dated August 4, 2011, with interest rates from 2.00% to 4.00%. Final principal payment date September 1, 2030.	8,060	8,480
Series A 2013, dated February 26, 2013, with an interest rate of 2.00%. Final principal payment date September 1, 2022.	3,600	4,075
Series A 2014, dated January 7, 2014, with interest rates from 2.00% to 5.00%. Final principal payment date September 1, 2033.	44,355	45,885
Series A 2016, dated May 17, 2016, with interest rates from 2.00% to 5.00%. Final principal payment date September 1, 2027.	25,765	-
Total General Receipts bonds payable	<u>117,735</u>	<u>124,795</u>
Plus: Net discounts and premiums	6,901	4,000
Total bonds payable	<u>\$ 125,601</u>	<u>\$ 129,935</u>

Principal maturities and interest on bonds and notes payable for the next five years and in subsequent five-year periods are as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 6,582	\$ 4,546	\$ 11,128
2018	6,713	4,530	11,243
2019	7,430	4,274	11,704
2020	7,425	3,988	11,413
2021	7,720	3,690	11,410
2022-2026	40,650	13,563	54,213
2027-2031	31,945	5,195	37,140
2032-2036	10,280	748	11,028
Subtotal	118,745	40,534	159,279
Plus: Net discounts and premiums	6,901	-	6,901
Total	<u>\$ 125,646</u>	<u>\$ 40,534</u>	<u>\$ 166,180</u>

b. Municipal Leases

Municipal lease obligations as of June 30 are as follows (in thousands):

	<u>2016</u>	<u>2015</u>
Municipal leases payable		
Equipment lease, dated December 3, 2012, with an interest rate of 1.41%. Final payment date of December 3, 2016.	\$ 57	\$ 170
Facility improvement lease, dated June 26, 2012, with an interest rate of 1.58%. Final payment date of June 26, 2017.	1,032	2,047
Total municipal leases payable	<u>\$ 1,089</u>	<u>\$ 2,217</u>

The future minimum municipal lease payments for 2017 are \$1,098, consisting of principal of \$1,089 and interest of \$9.

Note 8 – Pension Plans and Accrued Compensated Absences

Employees of the University are covered by one of the following plans:

a. Defined Contribution Plan

A Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA CREF) sponsored plan, adopted by the Board of Regents in July 1970, is available upon completion of ninety days of service, to all regular fulltime members of the faculty, administrative officers and others who have educational related duties. The TIAA CREF retirement plan is a defined contribution, money purchase retirement plan. The employees contribute 5 percent of their base salary to the plan, and the University contributes 10 percent. All payments are vested immediately and the contracts with the providers are owned by the individual employees. The employee is entitled to various payment options upon retirement. Benefit payments at retirement depend on the total contributions with interest deposited into the employee’s account. Retirement benefits can begin upon retirement or termination of employment with the University. Covered payroll totaled \$45,809,000 and \$46,043,000 for the years ended June 30, 2016 and 2015, respectively. The University’s contribution totaled \$4,581,000 and \$4,604,000 for the years ended June 30, 2016 and 2015, respectively.

b. Defined Benefit Plan

Plan Description - All regular employees not participating in the above plan are required to participate in either the Nonhazardous or Hazardous cost-sharing multiple employer defined benefit pension plan, both of which are under the Kentucky Employees Retirement System (KERS), that is administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). The defined benefit plans provide for retirement, disability, death benefits and health insurance. Participants have a fully vested interest after the completion of 60 months of service, 12 of which are current service. KERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601-6124 or by calling (502) 696-8800.

	Tier 1 Participation Prior to 9/1/08	Tier 2 Participation 9/1/2008 through 12/31/2013	Tier 3 Participation on or after 1/1/14
Nonhazardous			
Benefit Formula:	Final Compensation X Benefit Factor X Years of Service		Cash Balance Plan
Final Compensation:	Average of the highest 5 fiscal years (must contain at least 48 months). Includes lump-sum compensation payments (before and at retirement).	5 complete fiscal years immediately preceding retirement; each year must contain 12 months. Lump-sum compensation payments (before and at retirement) are not to be included in creditable compensation.	No Final Compensation
Benefit Factor:	1.97%, or 2.0% for those retiring with service for all months between 1/1998 and 1/1999.	10 years or less = 1.10%. Greater than 10 years, but no more than 20 years = 1.30%. Greater than 20 years, but no more than 26 years = 1.50%. Greater than 26 years, but no more than 30 years = 1.75%. Additional years above 30 = 2.00% (2.00% benefit factor only applies to service earned in excess of 30 years).	No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and methods adopted by the board based on member's accumulated account balance.
Cost of Living Adjustment (COLA):	No COLA unless authorized by the Legislature. If authorized, the COLA is limited to 1.5%. This impacts all retirees regardless of Tier.		
Unreduced Retirement Benefit:	Any age with 27 years of service. Age 65 with 48 months of service. Money purchase for age 65 with less than 48 months based on contributions and interest.	Rule of 87: Member must be at least age 57 and age plus earned service must equal 87 years at retirement to retire under this provision. Age 65 with 5 years of earned service. No money purchase calculations.	
Reduced Retirement Benefit:	Any age with 25 years of service. Age 55 with 5 years of service.	Age 60 with 10 years of service. Excludes purchased service (exception: refunds, omitted, free military).	No reduced retirement benefit

	Tier 1 Participation Prior to 9/1/08	Tier 2 Participation 9/1/2008 through 12/31/2013	Tier 3 Participation on or after 1/1/14
Hazardous			
Benefit Formula:	Final Compensation X Benefit Factor X Years of Service		Cash Balance Plan
Final Compensation:	Highest 3 fiscal years (must contain at least 24 months). Includes lump-sum compensation payments (before and at retirement).	3 highest salaries; each year must contain 12 months. Lump-sum compensation payments (before and at retirement) are not to be included in creditable compensation.	No Final Compensation
Benefit Factor:	2.49%	10 years or less = 1.30%. Greater than 10 years, but no more than 20 years = 1.50%. Greater than 20 years, but no more than 25 years = 2.25%. Greater than 25 years = 2.50%.	No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and methods adopted by the board based on member's accumulated account balance.
Cost of Living Adjustment (COLA):	No COLA unless authorized by the Legislature. If authorized, the COLA is limited to 1.5%. This impacts all retirees regardless of Tier.		
Unreduced Retirement Benefit:	Any age with 20 years of service. Age 55 with 60 months of service.	Any age with 25 years of service. Age 60 with 60 months of service.	Any age with 25 years of service. Age 60 with 60 months of service.
Reduced Retirement Benefit:	Age 50 with 15 years of service.	Age 50 with 15 years of service.	No reduced retirement benefit

Contributions- Benefit and contribution rates are established by state statute. Per Kentucky Revised Statute 61.565 contribution requirements of the active employees and the participating organizations are established and may be amended by the KRS Board. For the fiscal years ended June 30, 2016 and 2015, University employees were required to contribute 5 percent of their annual covered salary for retirement benefits. Employees with a participation date after 9/1/2008 were required to contribute an additional 1 percent of their covered salary for retiree healthcare benefits. The University was contractually required to contribute 30.84 percent and 7.93 percent of covered payroll to the nonhazardous KERS pension and insurance plans, respectively. The University also was contractually required to contribute 16.37 percent and 9.97 percent of covered payroll to the hazardous KERS pension and insurance plans, respectively. Actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The University's total required contributions to the KERS nonhazardous pension plan for the years ending June 30, 2016 and 2015, were \$12,069,000 and \$12,320,000, respectively. The required contributions to the KERS hazardous pension plan for the years ending June 30, 2016 and 2015, were \$127,000 and \$136,000, respectively.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions - At June 30, 2016 and 2015, respectively, the University reported a liability of \$245,556,000 and \$223,319,000, for its proportionate share of the nonhazardous net pension liability reflecting a net increase of \$22,237,000 for the year ended June 30, 2016. The University's hazardous pension liability was \$1,525,000 and \$1,059,000 for the years ended June 30, 2016 and 2015, respectively, reflecting a net increase of \$466,000 for the year ended June 30, 2016. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability was based on a projection of the University's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015 and 2014 (measurement date), the University's proportion was 2.448 percent and 2.489 percent for nonhazardous and .4445 percent and .4145 percent for hazardous, respectively.

For the years ended June 30, 2016 and 2015, the University recognized nonhazardous pension expense of \$21,294,000 and \$16,878,000; and hazardous pension expense of \$213,000 and \$74,000, respectively.

At June 30, 2016 the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Nonhazardous		
Differences between expected and actual experience	\$ 525	\$ -
Change of assumptions	11,771	-
Net difference between projected and actual earnings on investments	699	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,602
Contributions subsequent to the measurement date	12,069	-
Hazardous		
Differences between expected and actual experience	19	-
Change of assumptions	161	-
Net difference between projected and actual earnings on investments	9	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	60	-
Contributions subsequent to the measurement date	127	-
Total	<u>\$ 25,440</u>	<u>\$ 2,602</u>

At June 30, 2015 the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Nonhazardous		
Net difference between projected and actual earnings on investments	\$ -	\$ 2,870
Contributions subsequent to the measurement date	12,320	-
Hazardous		
Net difference between projected and actual earnings on investments	-	140
Contributions subsequent to the measurement date	136	-
Total	<u>\$ 12,456</u>	<u>\$ 3,010</u>

At June 30, 2016 and 2015, the University reported \$12,196,000 and \$12,456,000, respectively, as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2016, related to pensions will be recognized in pension expense as follows (in thousands):

Year Ending June 30	
2017	\$ 4,405
2018	4,405
2019	1,098
2020	734
	<u>\$ 10,642</u>

Actuarial assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement for nonhazardous and hazardous pensions.

Inflation	3.25%
Salary Increases	4.0%, average, including inflation
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation

The Mortality Table used for active members is RP-200 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (setback one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (setback four years for males) is used for the period after disability retirement. There is some margin in the current mortality table for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.

The long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for KERS. The most recent analysis, performed for the period covering fiscal years 2008 through 2013, is outlined in a report dated April 30, 2014. Several factors are considered in evaluating the long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Combined Equity	44%	5.40%
Combined Fixed Income	19%	1.50%
Real Return (Diversified Inflation Strategies)	10%	3.50%
Real Estate	5%	4.50%
Absolute Return (Diversified Hedge Funds)	10%	4.25%
Private Equity	10%	8.50%
Cash Equivalent	2%	-0.25%
Total	<u>100%</u>	

Discount rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 28 year amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate. Projected future benefit payments for all current plan members were projected through 2117.

Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate - The University's proportionate share of the net pension liability has been calculated using a discount rate of 7.5%. The following presents the University's proportionate share of the net pension liability calculated using a discount rate 1% higher and 1% lower than the current rate (in thousands):

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Nonhazardous			
Proportionate share of the Collective			
Net Pension Liability	\$ 276,598	\$ 245,556	\$ 219,296
Hazardous			
Proportionate share of the Collective			
Net Pension Liability	\$ 1,964	\$ 1,525	\$ 1,160

Payable to the pension plan - The University reported payables of \$1,628,000 and \$1,603,000 for the outstanding amount of employer contributions to the pension plan required for the years ended June 30, 2016 and 2015, respectively.

Effective July 1, 2010 KRS 61.546 states "the value of any accumulated sick leave that is added to the member's service credit in the Kentucky Employees Retirement System on or after July 1, 2010, shall be paid to the retirement system by the last participating Kentucky Employees Retirement System employer based upon a formula adapted by the Board." The KERS sick leave liability as of June 30, 2016 and 2015 was \$616,000 and \$709,000, respectively.

c. Compensated Absences

University employees begin to accumulate annual vacation allowance from the initial date of employment; however, no vacation is granted until three months of continuous employment have been completed. The maximum accumulation of vacation leave is limited to the number of days that can be accumulated in twelve months, based upon length of service and employment classification. Eligible employees are paid their accumulated vacation upon termination, subject to certain limitations. At June 30, 2016 and 2015, the University had recognized an accrued vacation liability of \$2,871,000 and \$3,143,000, respectively.

Note 9 – Operating Expenses By Natural Classification

The University's operating expenses by natural classification are as follows for the years ended June 30, 2016 and 2015 (in thousands):

	<u>2016</u>	<u>2015</u>
Salaries and wages	\$ 103,961	\$ 104,683
Employee benefits	51,844	47,611
Utilities	5,507	5,431
Supplies and other services	34,696	35,663
Depreciation	20,777	19,604
Student scholarships and financial aid	14,862	13,438
Total	<u>\$ 231,647</u>	<u>\$ 226,430</u>

Note 10 – Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by (1) the State Fire and Tornado Insurance Fund (the Fund), (2) Sovereign Immunity and the State Board of Claims, or (3) in the case of risks not covered by the Fund and Sovereign Immunity, commercial insurance, participation in insurance risk retention groups or self-insurance.

The Fund covers losses to property from fire, wind, earthquake, flood and most other causes of loss between \$500 and \$500,000 per occurrence. Losses in excess of \$500,000 are insured by commercial carriers up to \$500 million per occurrence with buildings insured at replacement cost and contents on an actual cash value basis. As a state agency, the University is vested with Sovereign Immunity and is subject to the provisions of the Board of Claims Act, under which the University's liability for certain negligence claims is limited to \$200,000 for any one person or \$350,000 for all persons damaged by a single act of negligence. Claims against educators' errors and omissions and wrongful acts are insured through a reciprocal risk retention group. There have been no significant reductions in insurance coverage from 2015 to 2016. Settlements have not exceeded insurance coverage during the past three years.

The University began self-insuring employee health insurance as of January 1, 2014. Accrued expenses are based on the estimated costs of health care claims based on claims filed subsequent to year end and an additional amount for incurred but not yet reported claims based on prior experience. The University purchases both specific and aggregate stop loss coverage on medical and prescription drug claims. The stop loss insurance limits its exposure for claims to \$250,000 per individual and 125 percent of projected aggregate claims.

The health self-insurance liability as of June 30, 2016 and 2015 are detailed below (in thousands):

	<u>2016</u>	<u>2015</u>
Liability, beginning of year	\$ 1,099	\$ 1,162
Claims and changes in estimates	12,886	12,515
Claims paid	(12,684)	(12,578)
Liability, end of year	<u>\$ 1,301</u>	<u>\$ 1,099</u>

The University also self-insures certain other employee benefits, including worker’s compensation claims to the extent not covered by insurance. The University has recorded an estimate for asserted claims at June 30, 2016.

Note 11 – Contingencies

The University is a party to various litigation and other claims in the ordinary course of business. University officials are of the opinion, based upon the advice of legal counsel, that the ultimate resolution of these matters will not have a material effect on the financial position of the University.

Note 12 – Blended Entity Condensed Financial Information

Condensed financial information for the Research Foundation is provided below for the years ended June 30, 2016 and 2015 (in thousands):

Condensed Statements of Net Position

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets	\$ 2,303	\$ 2,045
Noncurrent assets	11,719	11,766
Total assets	<u>14,022</u>	<u>13,811</u>
LIABILITIES		
Current liabilities	629	576
Due to the University - current	653	547
Noncurrent liabilities	11,721	11,774
Total liabilities	<u>13,003</u>	<u>12,897</u>
NET POSITION		
Restricted expendable	3	5
Unrestricted	1,016	909
Total net position	<u>\$ 1,019</u>	<u>\$ 914</u>

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2016	2015
OPERATING REVENUES		
Grants and contracts	\$ 4,368	\$ 5,410
Recoveries of facilities and administrative costs	451	556
Other operating revenues	-	2
Total operating revenues	4,819	5,968
OPERATING EXPENSES		
Operating expenses	4,464	5,465
Operating income	355	503
NONOPERATING REVENUES (EXPENSES)		
Non-capital transfers (to)/from the University	(274)	(618)
Gifts and grants revenues (expenses)	24	(47)
Net nonoperating revenues (expenses)	(250)	(665)
Income (loss) before other revenues, expenses, gains or losses	105	(162)
Capital transfers (to) the University	(195)	(5)
Capital grants and gifts	195	1
Total other revenues (expenses)	-	(4)
Increase (decrease) in net position	105	(166)
NET POSITION		
Net position-beginning of year	914	1,080
Net position-end of year	\$ 1,019	\$ 914

Condensed Statements of Cash Flows

	2016	2015
Net cash provided (used) by operating activities	\$ 355	\$ 411
Net cash provided (used) by noncapital financing activities	(197)	(511)
Net cash provided (used) by capital and related financing activities	-	(4)
Net cash provided (used) by investing activities	2,000	(2,000)
Net increase (decrease) in cash and cash equivalents	2,158	(2,104)
Cash and cash equivalents-beginning of year	10,893	12,997
Cash and cash equivalents-end of year	\$ 13,051	\$ 10,893

Note 13 – Northern Kentucky University Foundation, Inc. Notes to Financial Statements

Selected disclosures from the Foundation are included as follows:

a. Summary of Significant Accounting Policies

1. Scope of Statements

The consolidated financial statements of the Northern Kentucky Foundation, Inc. include the operations of the Foundation and several single member limited liability companies. All material intercompany transactions and balances have been eliminated for the year ended June 30, 2016 and 2015.

2. Basis of Presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) which require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Foundation in preparation of its consolidated financial statements.

These statements are presented on the accrual basis of accounting, and have been prepared to focus on the Foundation as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of balances and transactions into three classes of net assets - permanently restricted, temporarily restricted and unrestricted net assets.

Net assets and changes therein are classified as follows:

- **Permanently restricted net assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use the returns on the related investments over time for general or specific purposes.
- **Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time. Temporarily restricted net assets are generally established in support of colleges or departments of the University, often for specific purposes such as faculty support, scholarships and fellowships, library acquisitions, equipment or building projects and other specific purposes.
- **Unrestricted net assets** - Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Restricted contributions and net investment returns earned are reported as temporarily restricted support and reclassified as unrestricted when any donor-imposed restrictions are satisfied. Expirations of temporary restrictions on net assets are met when a donor stipulated time restriction ends or purpose restriction is accomplished and reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restriction.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions receivable are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment of such factors as prior collection history, type of contribution and nature of the fund-raising activity.

Income and realized net gains on long-term investments are reported as follows:

- As increases in permanently restricted net assets – if the terms of the gift require that they be added to the principal of a permanent endowment fund.
- As increases in temporarily restricted net assets – if the terms of the gift impose restrictions on the use of the income.
- As increases in unrestricted net assets – in all other cases.

3. Cash and Cash Equivalents

Cash and cash equivalents includes all readily available sources of cash such as petty cash, demand deposits and temporary investments in marketable securities with maturities of less than three months. Cash and cash equivalents representing investments purchased with endowment net assets are reported as investments.

At various times throughout the year, the Foundation has cash in certain financial institutions in excess of insured limits. Additionally, at June 30, 2016 and 2015, \$696,000 and \$277,000, respectively, was collateralized with securities held by the financial institution's trust department or agent, but not in the Foundation's name. At June 30, 2016 and 2015, balances of \$7,618,000 and \$3,621,000, respectively, were neither insured nor collateralized.

4. Loans and Accounts Receivable

Loans receivable consists primarily of loans made to students under privately funded loan programs. The advances are evidenced by signed promissory notes, bearing interest at varying stated interest rates, with varying due dates. Loans, accounts and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for a probable uncollectible allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts at June 30, 2016 and 2015 was approximately \$127,000 and \$124,000, respectively.

5. Investments

Investments in equity securities with readily determinable fair values and all debt securities are reported at their fair value. The estimated fair value of investments is based on quoted market prices, except for investments for which quoted market prices are not available. The alternative investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers. The estimated fair value of certain alternative investments, such as private equity interests, is based on valuations provided by the external investment managers adjusted for cash receipts, cash disbursements and distributions. The Foundation believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Such difference could be material.

The Foundation invests its endowment investment portfolio and allocates the related earnings for expenditure in accordance with the total return concept. A distribution of endowment return that is independent of the cash yield and appreciation (depreciation) of investments earned during the year is provided for program support.

The Foundation has significant exposure to a number of risks including interest rate, market and credit risks for both marketable and non-marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the Foundation's consolidated financial statements.

All true endowment investments and long-term net assets functioning as endowments are managed in a pool, unless special considerations or donor stipulations require that they be held separately.

6. Land and Land Improvements

At June 30, 2016 and 2015, land and land improvements (in thousands) consisted of:

Type of Asset:	<u>2016</u>	<u>2015</u>
Land	\$ 178	\$ 178
Land held for future use by the University	162	162
Land improvements	<u>208</u>	<u>208</u>
Total land and land improvements	<u><u>\$ 548</u></u>	<u><u>\$ 548</u></u>

Assets acquired for Foundation use with a useful life greater than one year and a value of \$5,000 or more are capitalized. Annual depreciation for land improvements is calculated on a straight-line basis, beginning in the month of acquisition based on a useful life of 30 years. At June 30, 2016 and 2015 all land improvements were fully depreciated.

Assets purchased or constructed through the Foundation for immediate use by Northern Kentucky University are recorded by the Foundation as a program expense.

7. Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the actual transfer date.

b. Unconditional and Conditional Promises to Give

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts are computed using a risk free interest rate as of fiscal year-end. Amortization of the discount is included in gifts and bequests revenue.

At June 30, 2016 and 2015, the Foundation recognized contributions based on the following unconditional promises to give (in thousands):

	<u>2016</u>	<u>2015</u>
Purpose:		
Endowment giving	\$ 1,094	\$ 317
Capital purposes	6,025	155
Operating programs	<u>1,679</u>	<u>2,045</u>
Gross unconditional promises	8,798	2,517
Less: Discount and allowance for uncollectible accounts	<u>(407)</u>	<u>(170)</u>
Net unconditional promises to give	<u><u>\$ 8,391</u></u>	<u><u>\$ 2,347</u></u>
 Amounts due in:		
Less than one year	\$ 3,097	\$ 1,069
One to five years	5,601	1,248
More than five years	<u>100</u>	<u>200</u>
Total	<u><u>\$ 8,798</u></u>	<u><u>\$ 2,517</u></u>

The discount rates used to calculate the present value of contributions receivable at June 30, 2016 and 2015 vary from 1.2 percent to 2.2 percent depending on when the promise was made.

Conditional promises to give are not included as support until such time as the conditions are substantially met. At June 30, 2016 and 2015, the Foundation had received conditional promises to give of approximately \$1.1 million, consisting of the face value of life insurance policies, net of accumulated cash surrender value.

Approximately 69 percent of all contributions were received from one donor in fiscal year 2016. In addition, 69 percent of total pledges receivable were due from one donor at June 30, 2016.

c. Fair Value Measurements

The three levels of the fair value hierarchy under generally accepted accounting principles are described as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities

Level 2 – Observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Other inputs that are observable for the asset or liability;
- Other inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value measurement

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 investments include short term money market funds, cash surrender value, fixed income funds and equity funds.

Level 2 investments are based on quoted prices of securities or other property with similar characteristics and include hedge funds of funds, low volatility, fixed income and a remainder interest in real property subject to a life estate.

Level 3 investments include those in which there is no active market, such as private equity, private debt, natural resources, private real estate and low volatility alternative investments. For such investments, the fair values are based on valuations determined by the investment managers using Net Asset Values (NAV) as of their most recent statements, adjusted for cash receipts and cash disbursements through June 30.

Level 3 investments also include those for which the determination of fair value requires significant management judgment or estimation. Pursuant to GAAP, management has considered redemption restrictions to assess classification of fair value inputs. Accordingly, the Foundation has classified alternative investments that are redeemable in greater than 90 days or that are considered an illiquid asset, as Level 3 investments.

There have been no changes in the methodologies used at June 30, 2016.

Level 3 Valuation Process

Fair value determinations for Level 3 measurements of securities are the responsibility of the Comptroller's office. The Comptroller's office contracts with a pricing specialist to generate fair value estimates on a monthly or quarterly basis. The Comptroller's office challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States.

The following assets were measured at fair value on a recurring basis as of June 30, 2016 and 2015 (in thousands):

	<u>2016</u>	<u>2015</u>
Type of Investment:		
Short-term money market funds	\$ 7	\$ 7
Cash surrender value	381	370
Fixed income funds:		
Core	1,554	1,489
Core plus	4,184	5,163
Global	1,852	2,153
Treasury inflation protected securities	1,572	1,503
Equity funds:		
Large/mid cap - broad	19,697	14,280
Large/mid cap - growth	-	4,655
Large/mid cap - value	5,580	10,298
Small cap - growth	1,312	1,411
Small cap - value	1,556	1,675
International - core	6,251	8,492
International - core	2,964	-
International small cap - value	2,198	2,423
Emerging markets - value	3,553	4,026
Emerging markets - small cap	3,476	3,684
Real estate investment trust	15	12
Exchange traded funds	39	32
Quoted Prices in Active Market for Identical Assets (Level 1)	<u>\$ 56,191</u>	<u>\$ 61,673</u>
Hedge funds:		
Public natural resources-master limited partnerships	\$ 3,059	2,605
Fixed income high yield	1,611	2,133
Low-volatility diversifying strategies	-	2,749
Remainder interest in real property and other	535	348
Significant Other Observable Inputs (Level 2)	<u>\$ 5,205</u>	<u>\$ 7,835</u>
Private equity:		
Buyout	\$ 1,699	\$ 1,749
Diversified	2,015	1,987
Venture capital	972	868
Secondary	2,079	1,966
Private debt:		
Distressed	1,776	1,453
Mezzanine	192	360
Natural resources:		
Diversified	3,965	3,819
Energy	3,836	2,972
Commodities	1,790	751
Private real estate:		
Value added	1,375	1,754
Low-volatility: Diversifying strategies	10,037	9,143
Significant Unobservable Inputs (Level 3)	<u>\$ 29,736</u>	<u>\$ 26,822</u>

The tables below presents information about the changes in the fair value of assets based on significant unobservable inputs (Level 3) (in thousands):

	<u>Private Equity/Debt</u>	<u>Natural Resources</u>	<u>Private Real Estate</u>	<u>Low-Volatility</u>
Investments:				
Beginning balance, July 1, 2014	\$ 7,038	\$ 7,160	\$ 1,980	\$ 10,100
Additional investments	2,603	1,711	255	4,000
Capital distributions	(1,775)	(916)	(646)	(5,330)
Fees	(78)	(86)	(18)	(61)
Realized gains (losses)	187	309	259	-
Unrealized gains (losses)	408	(636)	(76)	434
Beginning balance, June 30, 2015	<u>\$ 8,383</u>	<u>\$ 7,542</u>	<u>\$ 1,754</u>	<u>\$ 9,143</u>
Additional investments	1,615	2,844	26	1,800
Capital distributions	(1,670)	(496)	(514)	(20)
Dividends	59	46	29	-
Fees	(102)	(158)	(26)	(72)
Realized gains (losses)	210	44	189	(232)
Unrealized gains (losses)	238	(231)	(83)	(582)
Ending balance, June 30, 2016	<u><u>\$ 8,733</u></u>	<u><u>\$ 9,591</u></u>	<u><u>\$ 1,375</u></u>	<u><u>\$ 10,037</u></u>

d. Investments

The market value (in thousands) of the Foundation's investments as of June 30, 2016 and 2015 are categorized by type below:

Type of Investment:	<u>2016</u>	<u>2015</u>
Short-term money market funds	\$ 7	\$ 7
Cash and cash surrender value	474	522
Certificates of deposit	-	2,852
Fixed income funds:		
Core	1,554	1,489
Core plus	4,184	5,163
Global	1,852	2,153
High yield	1,611	2,133
Treasury inflation protected securities	1,572	1,503
Equity funds:		
Large/mid cap - broad	19,697	14,280
Large/mid cap - growth	-	4,655
Large/mid cap - value	5,580	10,298
Small cap - growth	1,312	1,411
Small cap - value	1,556	1,675
International - core	6,251	8,492
International - value	2,964	-
International small cap - value	2,198	2,423
Emerging markets - value	3,553	4,026
Emerging markets - small cap	3,476	3,684
Real estate investment trust	15	12
Exchange traded funds	39	32
Hedge funds:		
Public natural resources-master limited partnerships	3,059	2,605
Remainder interest in real property and other	535	348
Private equity:		
Buyout	1,699	1,749
Diversified	2,015	1,987
Venture capital	972	868
Secondary	2,079	1,966

Private debt:		
Distressed	1,776	1,453
Mezzanine	192	360
Natural resources:		
Diversified	3,965	3,819
Energy	3,836	2,972
Commodities	1,790	751
Private real estate:		
Value added	1,375	1,754
Low-volatility:		
Diversifying strategies	10,037	11,892
	<u> </u>	<u> </u>
Total investments	<u>\$ 91,225</u>	<u>\$ 99,334</u>

Investment return (in thousands) for the years ended June 30, 2016 and 2015 consist of:

	<u>2016</u>	<u>2015</u>
Interest and dividend income		
(net of investment fees: 2016 - \$470, 2015 - \$451)	\$ 1,427	\$ 1,074
Net realized gains	2,968	1,434
Net unrealized gains (losses)	(6,830)	(997)
Total investment return	<u>\$ (2,435)</u>	<u>\$ 1,511</u>

The Foundation records the cost of managing its endowment portfolio as a decrease in investment income within the appropriate net asset class in the consolidated statement of activities. Some of the Foundation's investment managers report investment transactions net of fees. The fees noted above are only those fees separately stated by the managers.

The investments of the Foundation are commingled with certain investments which the Foundation holds in trust for Northern Kentucky University. The market value of funds held in trust for the University at June 30, 2016 and 2015 was \$11,795,000 and \$12,692,000, respectively. See Note 13g for further explanation of the trust funds.

At June 30, 2016 and 2015, the Foundation had committed \$35.9 and \$34.4 million, respectively, of its endowment investment resources to alternative investments, of which \$8.2 and \$10.4 million, respectively, had not yet been called by the investment managers. Alternative investments for which commitments have been made consist of private equity/debt, natural resources, private real estate and low-volatility.

Alternative investments of the Foundation have limited marketability and the related investment agreements generally contain restrictive redemption provisions to the extent that the underlying investments should be considered illiquid for the duration of the investment through normal maturity. Early redemption of such investments would likely result in recovery of significantly less than the original investment amount. Foundation management believes the investment portfolio contains sufficient liquidity among other asset classes to make early redemption of alternative investments unlikely for reasons of meeting current spending needs.

e. Endowments

The Foundation's endowment consists of 293 individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments (quasi-endowments). Net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The board, at their discretion, can at any time permit spending from the principal of any quasi-endowed fund, provided the expenditure complies with any donor-imposed restrictions related to the fund.

Kentucky enacted the Kentucky Uniform Prudent Management of Institutional Funds Act (KUPMIFA), the provisions of which apply to endowment funds existing on or established after enactment, with an effective date of July 15, 2010.

An interpretation of KUPMIFA provisions by the Foundation Board of Directors requires that the historical dollar amount of a donor-restricted endowment fund be preserved. As a result of this requirement, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable. The net appreciation of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation.

Under KUPMIFA, the Foundation endowment spending policy allows for prudent spending of future endowment earnings for accounts without accumulated earnings based upon consideration of the following factors, if applicable:

- Duration and preservation of the endowment fund
- Purpose of the institution and the endowment fund
- General economic conditions
- Possible effect of inflation or deflation
- Expected total return on investments
- Other resources of the institution
- Investment policy

The approved annual endowment spending rate is reduced by a proportion of 5 percent for each 1 percent the affected endowment is below the value of original and subsequent gifts to the permanent endowment (i.e. principal).

Return Objectives and Risk Parameters. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Foundation’s spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return a rate equal to the Consumer Price Index plus 5 percent, net of investment fees. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that includes fixed income investments as well as publicly traded equity-based investments and various alternative investment strategies to achieve its long-term return objectives within prudent risk parameters.

Spending Policy and How the Objectives Relate to Spending Policy. The spending policy calculates the amount of money annually distributed from the Foundation’s various endowed funds, for grant making and administration. The current spending policy is to distribute an amount at least equal to 3-5 percent of a moving sixteen quarter average of the fair value of the endowment funds. Accordingly, over the long term, the Foundation expects its current spending policy to allow the Foundation to meet its objective to maintain the historical dollar amount of endowment assets as well as to provide additional real growth through investment return.

Endowment net asset composition by type of endowment (in thousands) as of June 30, 2016 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor restricted endowment funds	\$ -	\$ 26,575	\$ 43,018	\$ 69,593
Quasi-endowment funds	2,158	6,063	-	8,221
Total endowment funds	<u>\$ 2,158</u>	<u>\$ 32,638</u>	<u>\$ 43,018</u>	<u>\$ 77,814</u>

Changes in endowment net assets (in thousands) as of June 30, 2016 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ 2,244	\$ 37,760	\$ 42,394	\$ 82,398
Contributions collected	-	28	624	652
Investment income	38	1,345	-	1,383
Net investment gain (loss)	(106)	(3,787)	-	(3,893)
Amounts appropriated for expenditure	(18)	(2,708)	-	(2,726)
Endowment net assets, end of year	<u>\$ 2,158</u>	<u>\$ 32,638</u>	<u>\$ 43,018</u>	<u>\$ 77,814</u>

Endowment net asset composition by type of endowment (in thousands) as of June 30, 2015 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Donor restricted endowment funds	\$ -	\$ 31,795	\$ 42,394	\$ 74,189
Quasi-endowment funds	2,244	5,965	-	8,209
Total endowment funds	<u>\$ 2,244</u>	<u>\$ 37,760</u>	<u>\$ 42,394</u>	<u>\$ 82,398</u>

Changes in endowment net assets (in thousands) as of June 30, 2015 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ 2,212	\$ 38,905	\$ 41,105	\$ 82,222
Contributions collected	-	20	1,261	1,281
Investment income	30	1,081	-	1,111
Net investment gain	10	371	-	381
Amounts appropriated for expenditure	(8)	(2,617)	-	(2,625)
Transfers	-	-	28	28
Endowment net assets, end of year	<u>\$ 2,244</u>	<u>\$ 37,760</u>	<u>\$ 42,394</u>	<u>\$ 82,398</u>

Funds with Deficiencies. From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or KUPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets were approximately \$33,000 at June 30, 2016. The deficiencies resulted from unfavorable market conditions that occurred after the investment of permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors. There were no such deficiencies at June 30, 2015.

f. Contingent Liabilities

Legal counsel for the Foundation have advised that they know of no pending or threatened litigation, claims or assessments involving the Foundation that could have a material adverse financial effect on the Foundation.

g. Regional University Excellence Trust Fund

The Foundation holds certain funds, consisting of endowment matching funds received by Northern Kentucky University from the Commonwealth of Kentucky's Regional University Excellence Trust Fund, which were subsequently transferred to the Foundation for management and investment.

The Foundation reports these funds and accumulated earnings as assets held in trust for the University. Investment earnings, gains and losses and expenditures from these funds are reported as changes in the balance held in trust rather than as revenue and expenses of the Foundation.

h. Subsequent Events

Events occurring after June 30, 2016 have been evaluated for possible adjustment to the financial statements or disclosure through September 29, 2016, the date on which the consolidated financial statements were available to be issued.

i. Related Party Transactions

During the year ended June 30, 2016 and 2015, the Foundation made payments on behalf of the University of \$434,000 and \$496,000, respectively, for salaries, benefits, and other administrative costs for University staff that directly support the Foundation's operations. These payments are made by agreement between the Foundation and University. As of June 30, 2016 and 2015, there were no amounts owed to the University for such costs.

In support of University programs for the year ended June 30, 2016 and 2015, the Foundation made payments on behalf of the University of \$3,908,000 and \$5,045,000, respectively. In addition, the Foundation transferred to the University \$1,893,000 in 2016 and \$1,622,000 in 2015 for restricted purposes.

Required Supplementary Information

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Schedule of Proportionate Share of the Collective Net Pension Liability
Kentucky Employees' Retirement system
(in thousands)

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Nonhazardous		
University's proportionate share of the net pension liability	2.447755%	2.489115%
University's proportionate share of the collective net pension liability	\$ 245,556	\$ 223,319
University's covered-employee payroll	\$ 37,799	\$ 39,266
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	649.64%	568.74%
Pension plan fiduciary net position as a % of the total pension liability	18.83%	22.32%
Hazardous		
University's proportionate share of the net pension liability	0.444514%	0.414511%
University's proportionate share of the collective net pension liability	\$ 1,525	\$ 1,059
University's covered-employee payroll	\$ 563	\$ 535
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	270.82%	197.84%
Pension plan fiduciary net position as a % of the total pension liability	61.70%	68.74%

*The amounts presented for the fiscal year were determined as of June 30 of the previous fiscal year (measurement date).

Northern Kentucky University and Affiliate
A Component Unit of the Commonwealth of Kentucky
Schedule of University Contributions
Kentucky Employees' Retirement system
(in thousands)

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Nonhazardous		
Contractually required contribution	\$ 12,069	\$ 12,320
University's contributions in relation to the contractually required contribution	<u>12,069</u>	<u>12,320</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 39,131	\$ 39,948
Contributions as a percentage of covered-employee payroll	30.84%	30.84%
Hazardous		
Contractually required contribution	\$ 127	\$ 136
University's contributions in relation to the contractually required contribution	<u>127</u>	<u>136</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 776	\$ 831
Contributions as a percentage of covered-employee payroll	16.37%	16.37%

*The amounts presented for the fiscal year were determined as of June 30.



NORTHERN KENTUCKY UNIVERSITY
Nunn Drive
Highland Heights, Kentucky 41099

www.nku.edu



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NKU Campus Recreation Center // Photo: Timothy Sofranko

RECOMMENDATION:

That the following academic affairs personnel actions receive Board of Regents approval:

ADMINISTRATIVE APPOINTMENTS:

Ms. Trina Koscielicki, associate professor (with tenure) in the Department of Allied Health and associate chair of the Department of Allied Health in the College of Health Professions, effective September 9, 2016.

Dr. David Tataw, associate professor (with tenure) in the Department of Allied Health, associate dean of the College of Health Professions and interim chair of the Department of Allied Health in the College of Health Professions, effective September 9, 2016.

Mini Vita Follows

FACULTY APPOINTMENTS:

Dr. John Holley, assistant professor of practice (non-tenure-track) in the Department of Biological Sciences in the College of Arts and Sciences, effective August 15, 2016.

Dr. Arelys Madero-Hernandez, assistant professor in the Department of Political Science, Criminal Justice and Organizational Leadership in the College of Arts and Sciences, effective August 15, 2016.

Mini Vita Follows

TRANSITIONS:

Dr. Stephen Newman, from full-time professor (with tenure) in the Department of Mathematics and Statistics to part-time professor (with tenure) in the Department of Mathematics and Statistics in the College of Arts and Sciences, effective January 1, 2017.

Mini Vita Follows

RETIREMENTS:

Dr. Samuel Boateng, associate professor in the Department of Physics, Geology and Engineering Technology in the College of Arts and Sciences, effective January 1, 2017.

Dr. Willie Elliott, associate professor in the Department of Counseling, Social Work and Leadership in the College of Education and Human Services, effective August 12, 2016.

Dr. Nancy Hancock, associate professor in the Department of Sociology, Anthropology and Philosophy in the College of Arts and Sciences, effective August 11, 2016.

Dr. Miriam Kannan, professor in the Department of Biological Sciences in the College of Arts and Sciences, effective December 31, 2016.

DEPARTURES:

Dr. Kristi Haik, chair and professor in the Department of Biological Sciences in the College of Arts and Sciences, effective June 30, 2016.

Dr. Gary Mattson, professor in the Department of Political Science, Criminal Justice and Organizational Leadership in the College of Arts and Sciences, effective August 5, 2016.

Dr. Celeste Morris, assistant professor in the Department of Chemistry in the College of Arts and Sciences, effective August 26, 2016.

Dr. Frank Restesan, professor of music education in the Music Program in the School of the Arts, effective July 31, 2016.

Dr. Raquel Rodriguez, professor of music education in the Music Program in the School of the Arts, effective June 30, 2016.

TEMPORARY FACULTY APPOINTMENTS:

College of Arts and Sciences

Biological Sciences	Dr. Kris Spaeth Dr. Kathryn Higginbotham	Academic Year Fiscal Year
Chemistry	Dr. Chad Ruschman Dr. Celeste Morris <i>Non-paid research faculty for 2016-17</i>	Academic Year Academic Year
English	Ms. Lindsey Caldwell-Thomas	Academic Year
Music	Mr. George Carpten, IV	Academic Year
Physics, Geology & Engineering Technology	Mr. Thomas Neal	Academic Year
Political Science, Criminal Justice & Organizational Leadership	Ms. Kristen Lovett	Academic Year
Sociology, Anthropology & Philosophy	Dr. Robert Brice Ms. Lynissa Hillman Dr. Nicole Roth	Academic Year Fall Semester Academic Year

College of Education and Human Services

Kinesiology & Health	Mr. Joseph Hacker	Academic Year
Counseling, Social Work & Leadership	Mr. James Taylor Mr. Jonathan Trauth	Academic Year Academic Year

Haile/US Bank College of Business

Accounting & Business Law	Ms. Deborah Browning Mr. James Kirtley Ms. Lorraine Ruh Ms. Marcia Vorholt	Academic Year Academic Year Academic Year Academic Year
Management	Mr. Louis Manchise Dr. Stephen Roush	Academic Year Academic Year
Marketing, Sports Business & Construction Management	Mr. Majed Dabdoub Mr. C. Edward Heath	Academic Year Academic Year

Undergraduate Academic Affairs

Honors Program	Ms. Kristin Hornsby Dr. Rachel Zlatkin	Academic Year Academic Year
Plus Learning Center	Ms. Natalie Williams	Academic Year
Mini Vita Follows		

MINI VITA

Name: Trina Koscielicki

Title: Associate Professor

Education: M.Ed., 1997, Curriculum and Instruction, University of Cincinnati
B.S., 1989, Radiologic Administration, University of Charleston
A.S., 1987, Radiologic Technology, University of Charleston

Experience: 1999 - Present, Associate Professor – Radiologic Technology Program,
Northern Kentucky University
1998-1999, Assistant Professor – Radiologic Technology Program,
Northern Kentucky University
1993-1998, Instructor – Radiologic Technology Program, Northern
Kentucky University

MINI VITA

Name: Dr. David Tataw

Title: Associate Dean

Education: Ph.D., 2001, Political Science, University of Southern California. Concentrations: Health Policy and Management, Organizational Behavior, Law and Public Policy

M.P.A., 1996, University of Southern California. Concentration: Health Administration

M.A., 1996, Political Science, University of Southern California. Concentration: American Politics

M.A., 1992, Political Science, California State University. Concentrations: Public Policy and Public Administration

M.A., 1990, Management Information Systems, West Coast University.

B.A., 1982, English, Yaounde University, Cameroon

Experience: 2012 – 2016, Chair and Director of Graduate Programs, College of St. Elizabeth, NJ

2010 – 2016, Adjunct Faculty, Health Services Administration, Strayer University

2010 – 2012, Founding Faculty Health Management Program, School of Public and Environmental Affairs, Indiana University, Kokomo, IN

2009 – 2010, Visiting Professor, Public Policy and Administration, Jackson State University

2007 – 2009, Director of Institutional Special Grants, Western University of Health Sciences

MINI VITA

Name: John A. Holley, M.D., Ph.D.

Title: Assistant Professor of Practice

Education: M.D. Medicine, 1994, University of Vermont

Ph.D. Anatomy, 1982, Case Western University

M.S. Anatomy, 1977, Colorado State University

B.S. Zoology, 1974, Colorado State University

Biology, 1973, University of Colorado

Experience: 2014-2016, Assistant Professor, Zirve University

2012-2013, Urgent Care Physician, Urgent Health Care

2010-2011, Staff Physician, Oneida County Hospital

2008-2009, Teaching Assistant, University of Otago, Dunedin, New Zealand

2004, ER Physician, Temporary, Tuba City Regional Health Care Corp.

1997-2003, Staff Physician, Kane County Hospital and Clinic

1994-1997, Family Practice Resident, Northeast Iowa Family Practice Center

1990-1994, Medical Student, University of Vermont

1988-1990, Assistant Professor, New York College Osteopathic Medicine

1985-1988, Research Associate, Yale University

1983-1985, Research Associate, University of Heidelberg, Germany

1980-1983, Graduate Student (Ph.D.), Case Western Reserve University

1979-1980, Research Assistant, City of Hope Medical Center

1977-1978, College Instructor, Colorado Mountain College

1976-1979, Graduate Teaching Assistant, Colorado State University

MINI VITA

Name: Arelys Madero-Hernandez

Title: Assistant Professor

Education: Ph.D. Criminal Justice, 2014, University of Cincinnati

M.S. Criminal Justice, 2008, University of Cincinnati

B.A. Criminology, 2005, Universidad de los Andes, Venezuela

Experience: 2014-2016, Assistant Professor, Department of Political Science, Criminal Justice & Organizational Leadership, Northern Kentucky University

2010-2012, Instructor, School of Criminal Justice, University of Cincinnati

2008-2010, Distance Learning Facilitator, School of Criminal Justice, University of Cincinnati

MINI VITA

Name: Steve Newman

Title: Professor of Mathematics

Education: Ph.D. in Mathematics, 1968, University of Utah

M.S. in Mathematics, 1965, University of Utah

B.S. in Mathematics, 1963, University of Utah

Experience: 1992-2016, Professor of Mathematics, Northern Kentucky University

1973-1992, Associate Professor of Mathematics, Northern Kentucky University

1972-1973, Assistant Professor of Mathematics, Northern Kentucky University

1968-1972, Assistant Professor of Mathematics, University of Missouri-St. Louis

MINI VITA

Name: Kris E. Spaeth

Title: Lecturer (non-tenure-track temporary)

Education: Ph.D., Philosophy, 2008, Duke University

B.S., Biological Sciences, 2002, University at Buffalo

Experience: 2016, Guest Lecture for Intro to Bioengineering (BIOEN 215), University of Washington

2016, Guest Lecture for Protein Engineering (BIOEN 576), University of Washington

2015, Lab Instructor for Bioengineering Summer Camp, University of Washington

2015, Guest Lecture for Intro Bioengineering (BIOEN 215), University of Washington

2014, Guest Lecture for Intro Bioengineering (BIOEN 215), University of Washington

2013, Guest Lecture for Genetics (BIO 431), Meredith College

2004-2006, Teaching Assistant for Cellular Signaling (CELLBIO 417), Duke University

2001-2002, Teaching Assistant for Biochemistry Lab (BIO 215), University at Buffalo

MINI VITA

Name: Kathryn Poland Higginbotham

Title: Lecturer (non-tenure-track temporary)

Education: Ph.D., Molecular and Human Genetics, 2009, Baylor College of Medicine

B.S. Biochemistry, Cell and Molecular Biology, 2002, University of Tennessee,
Knoxville

Experience: 2009-2012, Postdoctoral Fellow, Division of Medical Genetics, Vanderbilt
University Medical Center

MINI VITA

Name: Chad J. Ruschman

Title: Lecturer (non-tenure-track temporary)

Education: B.S. in Chemistry, 2007, University of Kentucky

Experience: 2014-present, Chemistry II, Advanced Testing Laboratory

2011-2014, Instructor of Chemistry, Gordon State College

2007-2010, Teaching/Research Assistant, Georgia Institute of Technology

2003-2007, Teaching/Research Assistant, University of Kentucky

MINI VITA

Name: Celeste Morris

Title: Research faculty

Education: Ph.D., Analytical Chemistry, 2013, Indiana University

B.S. in Chemistry, 2008, Northern Kentucky University

Experience: 2013-2016, Assistant Professor, Northern Kentucky University

2013, Visiting Research Scholar, Peking University, Beijing, China

MINI VITA

Name: Lindsey Caldwell Thomas

Title: Lecturer (non-tenure-track temporary)

Education: M.A. English, 2011, Northern Kentucky University

Professional Certificate in Composition and Rhetoric, 2011, Northern Kentucky University

B.A. English, 2002, Northern Kentucky University

Experience: 2010-present, Instructor, Department of English, Northern Kentucky University

2004-2006, Account Service Representative, RR Donnelley, Florence

2002-2004, On-Site Performance Manager, CBS Companies, Cincinnati

MINI VITA

Name: George Carpten, IV

Title: Lecturer (non-tenure-track temporary)

Education: D.M.A. Trumpet Performance, (ABD), expected Fall 2016, University of Cincinnati, College-Conservatory of Music (CCM)

M.M. Trumpet Performance, 2013, Pennsylvania State University

B.M. Trumpet Performance, 2011, University of Tennessee-Knoxville

Experience: 2015-2016, Teaching Assistant of Jazz Studies, College-Conservatory of Music (CCM), University of Cincinnati

2013-2015, Teaching Assistant of Trumpet, College-Conservatory of Music (CCM), University of Cincinnati

2011-2013, Teaching Assistant of Jazz Studies, School of Music, Pennsylvania State University

2011-2013, Teaching Assistant of Trumpet, School of Music, Pennsylvania State University

MINI VITA

Name: Thomas Neal

Title: Lecturer (non-tenure-track temporary)

Education: M.B.A., Finance, 2004, Xavier University

M.A., Mathematics, 1989, University of Louisville

B.S., Mathematics & Physics, 1984, University of Louisville

B.A., Philosophy, 1984, University of Louisville

Experience: 2014-present, Lecturer, Physics & Mathematics, Thomas More College

2013-present, Adjunct, Mathematics, KCTCS

2013-present, Adjunct, Mathematics & Physics, Cincinnati State

2010-2012, Consultant and volunteer, Xavier University

1983-1985, Lecturer, Mathematics, University of Louisville

MINI VITA

Name: Kristen L. Lovett

Title: Lecturer (non-tenure-track temporary)

Education: Ed.D., Doctor of Education, Educational Leadership, 2015, Northern Kentucky University

M.B.A., Executive Management, 2004, Sullivan University

B.B.A., 2001, Thomas More College

Experience: 2014-Present, Lecturer, Political Science, Criminal Justice, Organizational Leadership, Northern Kentucky University

2009-2014, Associate Director, Educational Outreach – Online Learning Programs, Northern Kentucky University

2006-2014, Adjunct Lecturer, Management, Leadership, Northern Kentucky University

2004-2009, Adjunct Lecturer, Business Management, Thomas More College

1992-2009, North America Customer Relationship Manager, Balluff, Inc.

1978-1992, Purchasing Agent, Aerospace Division, General Electric Company

MINI VITA

- Name:** Robert Greenleaf Brice
- Title:** Lecturer (non-tenure-track temporary)
- Education:** Ph.D. in Philosophy, 2004, Michigan State University
M.A. in Philosophy, 1997, West Chester University of Pennsylvania
B.A. in Philosophy, 1994, University of Houston
- Experience:** 2010-2016, Assistant Professor, Loyola University New Orleans
2008-2010, Visiting Professor, Loyola University New Orleans
2007-2008, Visiting Professor, Marlboro College
2003-2007, Adjunct Professor, Elmhurst College

MINI VITA

Name: Lynnessa Hillman

Title: Lecturer (non-tenure-track temporary)

Education: M.A. in Sociology, 2015, University of Cincinnati

B.A. in Sociology, 2014, University of Cincinnati

B.A. in Africana Studies, 2012, University of Cincinnati

Experience: 2016-Present, Introduction to Sociology Instructor, Gateway Community and Technical College

2016-Present, Interpersonal Communication Instructor, Beckfield College

2015, Principles of Sociology Instructor, Beckfield College

2015, Student Tutoring and Mentoring, Beckfield College

MINI VITA

Name: Nicole M. Roth

Title: Lecturer (non-tenure-track temporary)

Education: Ph.D. Archaeology, 2012, University of Sheffield

M.A. European Prehistory, 2008, University of Sheffield

B.A. Anthropology, 2006, University of Louisville

Experience: 2013-Present, Lecturer, Anthropology, Northern Kentucky University

2013-Present, Adjunct Instructor, Special Topics in Anthropology (Archaeology of Death), University of Louisville

2009-2010, First Year Tutor, The Origins of Humanity and World Civilizations, University of Sheffield

2006, Volunteer Teaching Assistant, Zooarchaeology, Anthropology, University of Louisville

MINI VITA

Name: Joseph Hacker

Title: Lecturer (non-tenure-track temporary)

Education: M.Ed., Instruction and Curriculum Design, University of Cincinnati
B.S., Athletic Training, Northern Kentucky University

Experience: 2015-2016, Lecturer, Northern Kentucky University
2015-2016, Clinical Preceptor, Thomas More College
2010-2016, Clinical Preceptor, Northern Kentucky University
2009-2016, Certified Athletic Trainer, NovaCare Rehabilitation
2006-2009, Clinical Aide, NovaCare Rehabilitation
2005-2006, Production Coordinator, National Development Council

MINI VITA

Name: James E. Taylor

Title: Lecturer (non-tenure-track temporary)

Education: M.S.W. in Social Work, 2007, The University of Alabama
B.S.W. in Social Work, 2006, The University of Alabama at Birmingham

Experience: 2012-2016, Lecturer, Northern Kentucky University
Fall 2011, Course Instructor, The University of Alabama at Birmingham
April 2011-May 2011, Organizer, Relief Drive for Alabama Tornado Victims, The University of Alabama, Gadsden Center
Fall 2010, Course Instructor, The University of Alabama
2008-2011, Teaching Assistant, The University of Alabama

MINI VITA

Name: Jonathan Trauth

Title: Lecturer (non-tenure-track temporary)

Education: Ed.D., anticipated fall 2016, University of Cincinnati
M.S.W., 2004, University of Kentucky
M.A., 2015, Xavier University
B.S., 2001, Xavier University

Experience: 2013-2016, Adjunct Faculty, Northern Kentucky University
2011-2015, Clinical Social Worker, Ohio Mentor
2009-2012, Graduate Assistant, University of Cincinnati
2007-2010, Clinical Social Worker, Clermont Recovery Center
2006-2007, Case Manager, Stepping Stones Center
2005, ESL Teacher, Placentia Library
2003-2004, Case Manager Intern, Croney & Clark, Inc.
2002-2003, Social Work Intern, Hope Center Recovery Program
2001-2002, Intern, Stepping Stones Center

MINI VITA

Name: Deborah Browning

Title: Lecturer (non-tenure-track temporary)

Education: M.Acc., 1998, University of Indianapolis

C.P.A., 1987, licensed in Indiana, Ohio and Kentucky

B.S. in Accountancy, 1986, University of Indianapolis

Experience: 2013-Present, Lecturer, Northern Kentucky University

2000-2012, Senior Manager, Business Tax Services, Ernst and Young, LLP

1997-2000, Tax Manager, Deloitte and Touche, LLP

1996-1997, Senior Tax Accountant, Anthem Inc.

1986-1996, Senior Tax Accountant, American States Insurance Company

MINI VITA

Name: James Kirtley

Title: Lecturer (non-tenure-track temporary)

Education: M.B.A., 1975, Xavier University

B.B.A. in Banking & Finance, 1969, Marshall University

Experience: 2010-Present, Lecturer, Accounting, Northern Kentucky University

2010-2011, Adjunct Instructor, Accounting, Xavier University

2010, Part-time Faculty, Accounting, Northern Kentucky University

2005-2009, Adjunct Instructor, Westminster College and Youngstown State University

1995-2005, Director, Materials Management/Logistics, General Motors Corporation, Lordstown, Ohio

1992-1996, Director, Manufacturing Shift Operations, General Motors Corporation, Lordstown, Ohio

1991-1992, Superintendent, Trim Department Operations, General Motors Corporation, Lordstown, Ohio

1990-1990, Adjunct Instructor, Purchasing, Kent State University

1984-1991, Superintendent, Materials Operations, General Motors Corporation, Lordstown, Ohio

1981-1983, Adjunct Instructor, Youngstown State University

1980-1984, Assistant Resident Controller, General Motors Corporation, Lordstown, Ohio

MINI VITA

Name: Lorraine Ruh

Title: Lecturer (non-tenure-track temporary)

Education: M.B.A., 1975, University of Kentucky

B.A., 1973, Psychology, Centre College

Experience: 1989-Present, Lecturer and Co-op Coordinator, Northern Kentucky University

1988-1989, Training Instructor, Laventhol and Horwath, Certified Public Accountants

1982-1987, Assistant Professor, Economics and Management, Centre College

1979-1982, Accounting Supervisor, Burroughs Corporation

1978-1979, Public Accounts Auditor, Commonwealth of Kentucky

1977-1978, Instructor, Accounting and Business, Southeastern Christian College

1975-1977, Special Assistant, Council of State Governments

MINI VITA

Name: Marcia Vorholt

Title: Lecturer (non-tenure-track temporary)

Education: M.B.A., 1981, University of Cincinnati

B.B.A., 1975, University of Cincinnati

Experience: 2014-Present, Lecturer, Northern Kentucky University

2010-2014, Faculty, Xavier University

2010-Present, Consultant, Professional Consulting Services

1975-2009, Senior Audit Manager, Grant Thornton, LLP

1979-1981, Faculty, University of Cincinnati

MINI VITA

Name: Louis Manchise

Title: Lecturer (non-tenure-track temporary)

Education: B.B.A. in Management and Business Administration, 1965, Baruch College (City College of New York)

Experience: 2007-Present, Lecturer, Management, Northern Kentucky University

2000-2007, Director of Mediation Services, Sub-Region E-04, Federal Mediation Service, Cincinnati, Ohio

1992-2007, Adjunct Professor, University of Cincinnati

1984-1992, Instructor, College of Business, Northern Kentucky University

1973-2000, Federal Mediator, Federal Mediation Service, Cincinnati, Ohio

1969-1973, Regional Manager of Industrial Relations, National Can Corporation, New York/Cleveland/Baltimore

1967-1969, Personnel Manager, National Can Corporation, New York/Cleveland/Baltimore

1966-1967, New York Air National Guard, White Plains, NY

MINI VITA

Name: Stephen Roush

Title: Lecturer/Haile Practice Professor in Human Resource Management
(non-tenure-track temporary)

Education: Certified Senior Professional in Human Resources (S.P.H.R.), 1998, UCLA

Ed.D. in Organizational Development/Adult and Continuing Education, 1982,
Virginia Polytechnic Institute and State University

M.S., 1980, Virginia Polytechnic Institute and State University

B.S., 1978, Northeast Missouri State University (now Truman University)

Experience: 2009-2013, Vice President, Human Resources/North America, General Cable Corporation, Highland Heights, Kentucky

2000-2009, Chief Human Resources Officer, Roper Corporation (Subsidiary of General Electric), Lafayette, Georgia

1997-2000, Vice President/Officer-Human Resources, Alflex Corporation (Subsidiary of Commonwealth Industries), Long Beach, California

1995-1996, Manager-Corporate HR/HR Systems, Commonwealth Industries Inc., Louisville, Kentucky

1990-1995, Manager-Human Resources, Commonwealth Aluminum Corporation, Lewisport, Kentucky

1984-1990, Human Resource Organizational Development Team Leader, ARCO/Logan Aluminum Incorporated, Russellville, Kentucky

MINI VITA

Name: Majed Dabdoub

Title: Lecturer (non-tenure-track temporary)

Education: M.S. in Civil Engineering, 1989, University of Cincinnati

B.S. in Civil Engineering, 1986, Ohio University

Experience: 2015-Present, Lecturer, Northern Kentucky University

2005-2015, Part-time Faculty, Northern Kentucky University

1991-2005, Lecturer, Northern Kentucky University

1987-Present, Senior Building Plans Examiner and Analyst, City of Cincinnati

MINI VITA

Name: C. Edward Heath

Title: Lecturer (non-tenure-track temporary)

Education: M.B.A., 1994, Northern Illinois University

B.S. in Finance, 1992, University of Illinois

Experience: 2011-Present, Lecturer, Northern Kentucky University

1993-Present, Management Consultant, Heath Enterprises

2008-2011, Visiting Instructor, Eastern Kentucky University

2007-2008, Lecturer, Psychology, University of Kentucky

2004-2006, Lecturer, Marketing, University of Kentucky

2003-2004, Lecturer, Northern Kentucky University

2002-2003, Visiting Assistant Professor, Marketing, Xavier University

2000-2002, Assistant Professor, Marketing, Xavier University

1999-2000, Visiting Assistant Professor, Marketing, Northern Illinois University

1996-1999, Teaching Assistant, University of Kentucky

MINI VITA

Name: Kristin Hornsby

Title: Lecturer (non-tenure-track temporary)

Education: MFA in Playwriting and Screenwriting, 2011, Florida State University
BFA in Drama and Dramatics/Theatre Arts, General, 2009, Northern Kentucky University

Experience: 2014-2016, Academic Advisor, Cincinnati State Technical and Community College

2014, Adjunct Instructor of Humanities, ITT Technical Institute

2008-2014, Associate Dean of General Studies, ITT Technical Institute

2007-2012, Adjunct Instructor of Humanities, DeVry University

2007-2008, Educational Outreach Specialist, Girls Scouts of Western Ohio

2001-2006, Outdoor Ministry Director, Outreach, Lutheran Outdoor Ministries of Ohio

1998-2000, School-Age Program Coordinator, Hyde Park Before and After Program

1997-1999, Museum Programs Specialist, Cincinnati Museum Center

1994-1996, Coordinating Naturalist, YMCA Camp Kern

MINI VITA

Name: Rachel Zlatkin

Title: Lecturer (non-tenure-track temporary)

Education: Ph.D. in English and Comparative Literature, 2013, University of Cincinnati

MA in English Language and Literature, 2004, University of Cincinnati

BA in Drama and English, 1994, Thomas More College

Experience: 2014-Present, Academic Advisor in Honors, Northern Kentucky University

2014-Present, Lecturer in Honors, Northern Kentucky University

2014-Present, Faculty Advisor, *The Compass: an Interdisciplinary Journal of the Honors Program*, Northern Kentucky University

2013-2014, Lecturer in English, Writing Instruction Program, Northern Kentucky University

MINI VITA

Name: Natalie Williams

Title: Lecturer (non-tenure-track temporary)

Education: MA in Teaching English as a Second or Foreign Language/ESL Language Instructor, 2008, University of Central Florida

BA in Speech Communication and Rhetoric, 2001, University of Central Florida

Experience: 2010-2013, Instructional Designer, University of Cincinnati

2009-2012, Online English Instructor, Kaplan University

2011, Developmental Reading Instructor, Gateway Community College

2010, English Instructor, College of Southern Nevada

2008, ESOL Instructor, Seminole Community College

2008, ESOL Instructor, Valencia Community College

RECOMMENDATION:

That the attached non-academic personnel actions receive Board of Regents approval.

BACKGROUND:

The following categories of non-academic personnel actions which occurred between August 10, 2016 and, October 4, 2016 require approval by the Board of Regents:

1. Activations/Rehires
2. Reassignments, Reclassifications, Title/Status Changes, Promotions
3. Transfers
4. Contract/Temporary to Regular & Regular to Contract
5. Departures
6. Retirees
7. Administrative/Executive

ACTIVATIONS/REHIRES
08/10/16 – 10/04/16

NAME	DEPARTMENT	TITLE	EFF. DATE
Barry, Mary	Administration & Finance	Executive Assistant to Sr. VP	08/23/2016
Berberich, Jeremy	College of Health Professions	College Business Officer	10/03/2016
Cole, Shelby	Student Financial Assistance	Coordinator	09/26/2016
Frazier, Stanley	Athletics Marketing & Promotions	Coordinator, Athletics Marketing & Promotions	08/29/2016
Gake, Jessica	CITE	Instructional Designer	08/08/2016
Gregory, Matthew	Institutional Research	Analyst, Co-Curricular Assessment & Research	08/23/2016
Gundrum, Michelle	Advancement Services	Coordinator, Information Resources	08/22/2016
Johnson, Sherelle	PP – Custodial Services MC	Custodian	08/10/2016
Jones, Aaron	Athletics Facilities	Coordinator, Athletic Facilities	08/30/2016
Jones, Nicholas	CITE	Instructional Designer	08/08/2016*
Jones, Sylretta	Academic Affairs	Executive Assistant to the Provost	09/19/2016
Kang, Hoon	Office of Admissions	Specialist	09/19/2016
Kleifgen, Travis	Sports Medicine & Performance	Assistant Coach, Strength & Conditioning	08/15/2016
Knuckles, Matthew	PP – Custodial Services MC	Custodian	08/16/2016
McClellan, Brigitte	PP – Custodial Services MC	Custodian	09/06/2016
Nemeth, Nancy	Biological Sciences	Lab Technician	08/19/2016
Powell, James	PP – Custodial Services MC	Floor Care Operator	09/26/2016
Scala, Garrett	CINSAM	Manager	08/01/2016*
Serefin, Aaron	Biological Sciences	Manager, Lab	08/15/2016
Sullivan, Karen	College of Arts & Sciences	College Business Officer	09/01/2016
Werner, Shannon	Biological Sciences	Lab Technician	09/27/2016
Workman, Bryan	IT – Infrastructure & Operations Group	Systems Analyst II	08/22/2016

**REASSIGNMENTS, RECLASSIFICATIONS, TITLE/STATUS CHANGES, PROMOTIONS
08/10/16 – 10/04/16**

NAME	DEPARTMENT	TITLE	STATUS	EFF. DATE
Amanns, Lavonne	Human Resources – Payroll & Tax	Accountant	Reclassification	06/01/2016*
Boos, Brian	Sports Medicine & Performance	Director of Sports Performance	Reclassification	08/01/2016*
Ellis, Shelby	Educational Talent Search	Coordinator	Reclassification	09/01/2016
Horan, Stacey	Human Resources – Payroll & Tax	Coordinator, Payroll	Reclassification	06/19/2016*
Jones, Steven	IT – Infrastructure & Operations Group	Manager, Infrastructure & Oper.	Reclassification	09/01/2016
Ratliff, Michael	CRC Facilities Management	Electrician	Reassignment	07/01/2016*
Ruehl, Joy	Human Resources – Payroll & Tax	Specialist, Payroll	Reclassification	06/19/2016*
Stagg, Erik	IT – Infrastructure & Operations Group	Manager, Infrastructure & Oper.	Reclassification	09/01/2016
Switzer, Scott	IT – Infrastructure & Operations Group	Manager, Infrastructure & Oper.	Reclassification	09/01/2016
Tackett, Loren	CRC Facilities Management	Plumbing Mechanic	Reassignment	07/01/2016*

TRANSFERS
08/10/16 – 10/04/16

NAME	PREVIOUS DEPARTMENT	NEW DEPARTMENT	TITLE	EFF. DATE
Bell, Martel	CRC – Facility Management	Laborers	Materials Specialist	09/26/2016
Criss, Sharon	Advancement Services	Intercollegiate Athletics	Asst.to the Athletic Director	08/15/2016
Johnson, Amanda	Early Childhood Center	LEAP	Coordinator	08/15/2016
Witte, John	Roads & Grounds	HVAC/General Maintenance	HVAC/Gen. Maint. Mech.	09/12/2016

CONTRACT/TEMPORARY TO REGULAR & REGULAR TO CONTRACT
08/10/16 – 10/04/16

NAME	DEPARTMENT	TITLE	STATUS	EFF. DATE
Angel, Aaron	IT – Infrastructure & Operations Group	Systems Analyst I	Contract to Regular	07/01/2016*
Moses, Julie	Research, Grants & Contracts	Senior Administrator	Contract to Regular	09/01/2016
Parker, James	Business Operations & Auxiliary Services	Copy Center Technician	Regular to Contract	09/06/2016
Perry, Ethan	IT – Infrastructure & Operations Group	Systems Analyst I	Contract to Regular	08/01/2016*
Turner, Zachary	Sports Medicine & Performance	Assistant Coach	Contract to Regular	09/01/2016
Wright Perkins, Kari	Master of Business Administration	Coordinator	Regular to Contract	10/03/2016

DEPARTURES
08/10/16 – 10/04/16

NAME	DEPARTMENT	TITLE	EFF. DATE
Alig, Shanna	Steely Library	Library Specialist I	08/17/2016
Baker, Eileen	IT – Information Technology Central	Training Developer	08/23/2016
Brate, Theresa	Office of the University Registrar	Analyst, Business Processes	09/24/2016
Campbell, Matthew	IT – Infrastructure and Operations Group	Systems Analyst III	09/23/2016
Cavitt, Jasmin	CRC Facility Management	Custodian	09/03/2016
Cook, Leah	First Year Programs	Academic Specialist	08/28/2016
Cornelius, Shanon	University Marketing	Pre-Press Specialist	09/10/2016
Deters, Heather	Career Services	Coordinator	08/27/2016
Eubanks, Amanda	PP – Custodial Services MC	Custodian	08/19/2016
Fitzer, David	IT – Infrastructure and Operations Group	Technical Support Specialist II	09/10/2016
Grimm, LuAnn	University Printing	Specialist	09/02/2016
Hogston, Caroline	PP – Custodial Services MC	Custodian	10/01/2016
Krieg, Paul	College of Business Advising Center	Manager, Business Experience	08/06/2016*
Maguire, Sarah	First Year Programs	Assistant Director	08/27/2016
Messmer, Gail	LEAP	Coordinator	08/13/2016
Mortensen, Tye	Office of Admissions	Associate Director	09/02/2016
Nemeth, Nancy	Biological Sciences	Lab Technician	09/08/2016
Niece, Clinton	HVAC/General Maintenance	HVAC/General Maintenance Mechanic	08/26/2016
Owen, Nolan	Roads & Grounds	Groundskeeper	09/29/2016
Pizzano, Gerald	University Police	Captain	08/20/2016
Schmitz, Thomas	HVAC/General Maintenance	HVAC Mechanic	09/01/2016
Shearer, Jeffrey	Theatre & Dance	Coordinator	08/13/2016
Sipples, Warne	PP – Custodial Services MC	Floor Care Operator	09/02/2016
Stein, Krysten	Honors Program	Coordinator, Student Recruitment & Events	08/19/2016

**RETIREES
08/10/16 – 10/04/16**

NAME	DEPARTMENT	TITLE	EFF. DATE
Preston, Frank	Electric Shop	Electrician	10/01/2016

**ADMINISTRATIVE/EXECUTIVE
08/10/16 – 10/04/16**

NAME	DEPARTMENT	TITLE	REASON	EFF. DATE
Harrah, Janet	CEAD	Senior Director	Contract to Regular	07/01/2016*
Herschede, Katie	President's Office	Exec. Asst. to President, Special Projects	Separation	09/09/2016
Sweeney, Beth	Academic Affairs	Associate Provost – Administration	Retirement	10/01/2016

***Not on previous report**

RECOMMENDATION:

The Board of Regents officially hereby accepts contributions totaling **\$380,003.00** received by the NKU Foundation Inc. for the benefit of Northern Kentucky University during the period July 1, 2016 through September 30, 2016 per the below list.

BACKGROUND:

At the March 12, 2014 Board Meeting, a major gift policy was approved by the Regents raising the level of major gifts submitted for review and acceptance by the Board to \$25,000. This recommendation includes major contributions of \$25,000 or more for the designated period.

Contributions of \$25,000 or Greater (07/01/16-09/30/2016)

Donor Name	Date	Gift Designation	Cash	Pledge	In-Kind/Other	Totals
Clyde N. Day Trust	7/15/2016	Clyde N. Day Photography Program Support		\$30,000		\$30,000
Joyce E. Griffin	7/27/2016	College of Informatics Initiatives	\$25,000			\$25,000
Larry A. Giesmann	8/31/2016	Laura Trice MD Pre-Med Scholarship Endowment	\$25,000			\$25,000
Thomas J. Munninghoff	9/2/2016	Men's Basketball Excellence Fund	\$25,000			\$25,000
Gary Husman	9/13/2016	Christian Michael Thomas Memorial Scholarship Endowment		\$25,000		\$25,000

Donor Name	Date	Gift Designation	Cash	Pledge	In-Kind/Other	Totals
Henry Konstantinow Estate	9/16/2016	School of the Arts	\$86,637			\$86,637
Trinity University, San Antonio, TX	9/22/2016	Chemistry Department			\$63,366 (lab equipment)	\$63,366
Jerry W. Warner	9/22/2016	Dr. Jerry Warner Biological Science Scholarship			\$64,000 (Planned Gift)	\$64,000
Jeanette Edwards Foundation	9/30/2016	Portfolio Program	\$36,000			\$36,000

TOTAL \$197,637 \$55,000 \$127,366 \$380,003

RECOMMENDATION:

The Board of Regents hereby approves the following naming actions:

- (1) The naming of an endowed scholarship in support of students who are pursuing fields of study in the biological sciences or are pre-med track eligible with preference given to females and students who qualify as post-traditional “The Laura Trice MD Pre-Medical Scholarship”.
- (2) The naming of an endowed scholarship in support of students who have declared a minor in NKU’s Women and Gender Studies Program with a preference given to female students “The Sadie Brown Endowed Scholarship”.
- (3) The naming of an endowed scholarship in support of students with a declared major in the College of Informatics who demonstrate financial need “The Christian Michael Thomas Memorial Scholarship”.
- (4) The naming of an endowed scholarship in support of students who are admitted to NKU through the Supported Higher Education Project (SHEP) “The Jane, Terry, and Doug “Sandy” Garrigan Scholarship”.

BACKGROUND:

Naming actions in connection with private gifts are governed by NKU Administrative Regulation-II-4.0-2, section 2.2. NKU’s Naming Policy provides for naming opportunities in consideration of a major contribution to the university. The policy allows flexibility in determining the level of contribution appropriate for each naming action, enabling each gift to be judged on its own merit.

After careful consideration by university officials and unanimous support by the University Naming Committee, it was recommended to offer the following naming recognitions.

- (1) The university has received a major gift commitment in support of students who are pursuing fields of study in the biological sciences or are pre-med track eligible with preference given to females and students who qualify as post-traditional.

Donor: Dr. Larry Giesmann and Dr. Laura Trice

Naming Gift: \$25,000

Naming: Laura Trice MD Pre-Medical Scholarship

Dr. Giesmann is a retired faculty member from the NKU Department of Biological Sciences who, during his tenure, encouraged many students to continue on to medical school. Larry maintains contact with many of the alumni he has taught. Dr. Giesmann received the 1983 Milburn Outstanding Professor award.

Dr. Laura Trice is president of the TriHealth Clinically Integrated Physician Hospital Organization. Dr. Trice was a primary care physician focusing on geriatric medicine for TriHealth Senior's Health for the past 15 years and held various medical director roles throughout the Cincinnati region. She has a bachelor of science in nursing from Xavier

University. After practicing nursing for 20 years, she pursued a doctor of medicine at the University of Cincinnati College of Medicine. She completed her internal medicine residency at The Christ Hospital and a Geriatric Fellowship at the University of Cincinnati.

(2) The university has received a major gift commitment in support of students who have declared a minor in NKU's Women and Gender Studies Program with a preference given to female students.

Donor: Chuck Brown

Naming Gift: \$25,000

Naming: The Sadie Brown Endowed Scholarship

Former Board of Regents member, Chuck Brown, created this scholarship in honor of his deceased wife, Sadie, who believed strongly in women's rights and always stood up for those at risk in society. She ministered to youth at a juvenile corrections facility in Cincinnati and was a fierce advocate for those she loved and believed in.

(3) The university has received a major gift commitment in support of students with a declared major in the College of Informatics who demonstrate financial need.

Donor: Gary Husman

Naming Gift: \$25,000

Naming: Christian Michael Thomas Memorial Scholarship

This scholarship is named in memory of Christian Michael Thomas (1/28/93-8/8/15). Christian is the son of Dacia Wood and Robert Thomas. He was a student at NKU in the College of Informatics. He loved his family, his girlfriend, his dog, and his friends. He always stuck up for the underdog. He struggled to pay for college so the friends and family hope this scholarship makes a difference in someone's life. It's what Christian would have wanted.

(4) The university has received a major gift commitment in support of a scholarship for students who are admitted to NKU through the Supported Higher Education Project (SHEP) with preference given to student(s) with financial need.

Donor: Terrance "Mac" Garrigan

Naming Gift: \$25,000

Naming: The Jane, Terry, and Doug "Sandy" Garrigan Scholarship

This gift is named in honor of the donor's late mother, father and brother. Terrance "Mac" Garrigan's brother, Douglas "Sandy", was diagnosed with down syndrome as a child. His mother, Jane, had a keen interest in helping the mentally ill and their families. She started and ran "The Family Advocate", a non-profit company to serve that purpose. She was actively involved in The Cincinnati Alliance for the Mentally Ill, the 648 Board and PLAN.

RECOMMENDATION:

That Emeritus status for the following individuals receives Board of Regents approval:

Dr. Miriam Kannan, professor in the Department of Biological Sciences, effective December 31, 2016.

Dr. Katherine Kurk, professor in the Department of World Languages, effective December 31, 2016.

Mini Vita Follows

BACKGROUND:

The faculty members recommended for Emeritus status have received the endorsement of the faculty, the dean, the provost, and the president.

MINI VITA

Name: Miriam Steinitz Kannan

Title: Regents Professor

Education: Ph.D. Zoology, 1979, The Ohio State University

M.Sc. Zoology, 1977, The Ohio State University

B.A. Biology, 1973, Rider University, Lawrenceville, NJ.

Experience: 1993-2015, Regents Professor, Department of Biological Sciences, Northern Kentucky University

1990-1993, Professor, Department of Biological Sciences, Northern Kentucky University

1986-1990, Associate Professor, Department of Biological Sciences, Northern Kentucky University

1981-1986, Assistant Professor (Tenure track), Department of Biological Sciences, Northern Kentucky University

1979-1981, Assistant Professor (non-tenure track) Department of Biological Sciences, Northern Kentucky University

1979, Biology Lecturer, University of Cincinnati, Claremont College

1975-1979, Teaching Associate and Research Fellow, The Ohio State University

1973-1974, Research Fellow, Institute of Molecular Biophysics, Florida State University

MINI VITA

- Name:** Katherine Chenault Kurk
- Title:** Professor
- Education:** Ph.D., Dissertation: *Consummation of the Text: A Study of Philippe Sollers*, 1979, University of Kentucky
M.A. in French Studies with honors, 1974, University of Kentucky
B.A., Double major: French, Spanish with high distinction, 1972, University of Kentucky
- Experience:** 1997-Present, Professor of French and Comparative Literature (French, Spanish, English), Northern Kentucky University
2011-2013, Interim Chairperson, Department of World Languages and Literatures, Northern Kentucky University
Spring 2002, Northern Kentucky University Early Incentive Program, French AP and International Baccalaureate French IV Professor, Holmes High School, Covington, Kentucky
1990-1997, Associate Professor of Comparative Literature and Modern Languages, Northern Kentucky University
1995, Visiting Associate Professor of French, Summer Institute for French Teachers, Graduate Faculty, Davidson College, Davidson, North Carolina
Spring 1994, Visiting Associate Professor of French, University of Kentucky
1986-1990, Assistant Professor of Comparative Literature and Modern Languages, Northern Kentucky University
1984-1986, Instructor of Literature and Languages, NKU
1983-1984, Associate Professor, Languages and Literature, Drury College
1980-1984, Le Village Français, A foreign language program for 5-10 year olds, Springfield
1979-1984, Assistant Professor, Languages and Literature, Drury College
1978-1979, Instructor of Modern Languages, Centre College, Danville, Kentucky
1978-1979, Independent Study Program, University of Kentucky, Director of French courses
1975-1977, Good Shepherd Kindergarten, A foreign language program for 3-5 year olds, Lexington, Kentucky

1972-1974, 1976-1978, Teaching Fellow, Department of French, University of Kentucky

1972, Teacher Certification, Grades 7-12 (French, Spanish), Commonwealth of Kentucky Certified Elementary/Secondary Teacher Evaluator (Kentucky Teacher Intern Program).

RECOMMENDATION:

That the Board of Regents approve the attached list of terminal degrees for each of the degree programs offered at NKU.

BACKGROUND:

In compliance with SACSCOC Comprehensive Standard 3.7.1 for Faculty Competence, Northern Kentucky University will give primary consideration to the highest earned degree in the discipline in accordance with the SACSCOC Faculty Credentials Guidelines, as approved in 2006.

The attached document includes the list of terminal degrees for each of the degree programs offered at NKU, which department chairs and college deans will use for determining faculty credentials to comply with Comprehensive Standard 3.7.1.

SACSCOC Comprehensive Standard 3.7.1 for Faculty Competence.

<http://www.sacscoc.org/principles.asp>

SACSCOC Faculty Credentials Guidelines, as approved in 2006.

<http://www.sacscoc.org/pdf/081705/faculty%20credentials.pdf>

Appropriate Terminal Degrees for Faculty

(Degrees are expected to be in an appropriate discipline as defined by the program)

CHASE COLLEGE OF LAW

Program	Terminal Degree (BOR approved 3/2013)	RECOMMENDED Change - Terminal Degree
Law	JD	JD or PhD
Master of Legal Studies	Not listed	JD or PhD
LLM	Not listed	JD or PhD

COLLEGE OF ARTS AND SCIENCES

Program	Terminal Degree (BOR approved 3/2013)	RECOMMENDED Change - Terminal Degree
Anthropology	PhD	
Biological Sciences	PhD	PhD or EdD
Chemistry	PhD	
Criminal Justice	Doctorate or PhD	Doctorate
Dance	PhD	MFA or PhD
Electronics Engineering Technology	Doctorate	
English	PhD or MFA	
Environmental Science	Not listed	PhD or EdD
French	PhD	
Geography	Doctorate	
Geology	PhD	
German	PhD	
History	Doctorate	PhD or Doctorate with track or concentration in public history
International Studies	PhD	
Mathematics	PhD	
Mechanical & Manufacturing Engineering Technology	Doctorate	
Music	Doctorate or MM	
Organizational Leadership	Doctorate or PhD	Doctorate
Philosophy	PhD	
Physics	PhD	

Submitted for Board of Regents Approval - November 2016

Political Science	PhD	
Psychological Science	PhD	
Public Administration	Doctorate or PhD	Doctorate
Sociology	PhD	
Spanish	PhD	
Statistics	PhD	
Theatre Arts	MFA, DFA, MM, DMA, or PhD	
Visual Arts	MFA for Studio, MFA or MDes for Design, PhD for Art History and Criticism, PhD for Art Education	
Integrative Studies	Not listed	PhD, Doctorate, MFA, MM

COLLEGE OF BUSINESS

Program	Terminal Degree (BOR approved 3/2013)	RECOMMENDED Change - Terminal Degree
Accounting	PhD or DBA	
Business Administration	Doctorate	PhD or DBA
Entrepreneurship	PhD, DBA or JD	PhD or DBA
Construction Management	Masters or Doctorate	Doctorate
Economics	PhD or DBA	
Finance	PhD or DBA	
Human Resources Management	PhD or DBA	
Management	PhD or DBA	
Marketing	PhD or DBA	
Sports Business	PhD	PhD or DBA

COLLEGE OF EDUCATION AND HUMAN SERVICES

Program	Terminal Degree (BOR approved 3/2013)	RECOMMENDED Change - Terminal Degree
Teacher Education	Doctorate	
School Leadership	Doctorate	
Health and Physical Education	Doctorate	
Athletic Training	Doctorate	
Counseling Education/Human Services/ Social Work	Doctorate	

Submitted for Board of Regents Approval - November 2016

COLLEGE OF HEALTH PROFESSIONS

Program	Terminal Degree (BOR approved 3/2013)	RECOMMENDED Change - Terminal Degree
Nursing	Doctorate	
Radiologic Tech	Masters	
Respiratory Care	Masters	
Health Sciences (BS)	Not listed	Masters
Health Sciences (MS)	Not listed	Doctorate

COLLEGE OF INFORMATICS

Program	Terminal Degree (BOR approved 3/2013)	RECOMMENDED Change - Terminal Degree
Business Informatics	PhD or DBA	Doctorate
Communication Studies	Doctorate	PhD
Communication Graduate Program	Doctorate	PhD
Computer Information Technology	PhD	
Computer Science	PhD	
Electronic Media and Broadcasting	Masters	
Health Informatics	Doctorate, MD or MBBS	
Journalism	Masters	PhD
Library Informatics	MLS or MLIS	ALA Accredited MLS or Equivalent
Media Informatics	Masters	
Public Relations	Doctorate	

Submitted for Board of Regents Approval - November 2016

Data Science	Not listed	PhD
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STEELY LIBRARY

Program	Terminal Degree (BOR approved 3/2013)	RECOMMENDED Change - Terminal Degree
Library	Not listed	ALA Accredited MLS or Equivalent

RECOMMENDATION:

That the Board of Regents approve the use of the land currently occupied by Parking Lot F as a site for a new residence hall.

BACKGROUND:

Discussions with American Campus Communities (ACC) and Fairmount Properties, the group selected to develop the US 27/Student Housing project, have begun. ACC and their architect, Solomon Cordwell Buenz, presented a compelling argument for the location of the new residence hall on Parking Lot F, a lot of about 330 parking spaces. Numerous options for relocating the lost parking capacity are under consideration; the team is focused on a solution that provides adequate replacement parking that is conveniently located. The parking solution will be implemented prior to Lot F going offline, and the construction cost for the new parking capacity will be built into the project's overall financial proforma.

This site is not identified as a potential housing site in the Campus Master Plan, which the Board approved on March 11, 2009. Lot F is shown in the Master Plan as a surface parking area. The goal is to initiate a project to update the Master Plan within the next two years.

The developer team evaluated six campus sites for the new residence hall; the Lot F location is the strongest of the options. Positive factors for the Lot F site:

- SCB's research and experience on other campuses supports having a large number of beds in one location.
- ACC is proposing a residence hall of 500-700 beds. The goal is to house freshmen in this new facility. Adding beds to the Boothe Village leverages the synergy that already exists there. Currently, there are 1,386 beds in the Boothe Village.
- This site encourages student engagement by creating diverse social spaces in a village concept within the broader campus setting.
- Compared to other site options, this site best meets the University's enrollment goals.
- Easy visual and pedestrian connection to campus will energize student life.
- Building on this site revitalizes and reclaims a key part of the campus landscape.
- The Norse Commons dining facility can support the additional beds.



Site of Proposed New Residence Hall – Parking Lot F